

SEPTEMBER 1961  
VOLUME 42, NUMBER 2

**THE** *Southwestern*  
**SOCIAL SCIENCE QUARTERLY**

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Published jointly by THE SOUTHWESTERN SOCIAL SCIENCE ASSOCIATION  
and the UNIVERSITY OF TEXAS PRESS

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Second-class postage paid at Austin, Texas. Published quarterly.

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to the secretary-treasurer of the Association, James M. Owen, Louisiana State University, Baton Rouge, Louisiana. Any change in address should also be reported to the secretary-treasurer. All manuscripts should be addressed to the editor, Harry Estill Moore, University of Texas, Austin 12, Texas. Books for review should be sent to H. Malcolm Macdonald, Book Review Editor, University of Texas, Austin 12, Texas.

The QUARTERLY is indexed by *Public Affairs Information Service* and the *International Index*.

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# The Economics of Unseemly Opulence

GEORGE W. WILSON  
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THE BELIEF AMONG SOME ECONOMISTS that the United States has solved the economic problem is a new heterodoxy.<sup>1</sup> Yet, despite the alleged resolution of mankind's long struggle against poverty, there is no rejoicing among those who argue this point. On the contrary, they stress that much remains to be done. There are pockets of residual poverty which persist despite general rises in real output (GNP), much social furniture needs to be built, and a vast extension of education is required to permit a wholesome use of the leisure and economic surplus created by the economy of abundance. The new economic world is upon us but we remain chained to an intellectual heritage emphasizing toil, sweat and, above all, high consumption to justify the seemingly endless and rapid expansion of economic capacity engendered by the toil and sweat itself.

Economic growth, once a necessary solvent for most of our problems, has become its own justification. Preoccupied as we have been in the past and continue to be in the present with obtaining more and more output, we have neglected the basic questions of "more of what and for what purpose." Does economic progress consist in expanding the number of available colors of soap, tissues, and automobiles, or in building roads, schools, and hospitals? Are we to have more and more of the so-called superfluities and less and less of the items involved in general welfare? In short, the allegation by the new heterodoxy is that we have eulogized the growth in GNP but have neglected its composition. Not knowing what to do with the increased leisure-potential we keep on working hard to produce goods which become more and more superfluous, a fact which in turn necessitates prodigious efforts to convince ourselves that the superfluous is necessary. Riesman has recently complained that "we are a generation prepared for Paradise Lost, who do not know what to do with Paradise Found."<sup>2</sup> The solution, then, to the re-

<sup>1</sup> The new heterodoxy has of course been most vigorously propounded by J. K. Galbraith, *The Affluent Society* (Boston: Houghton-Mifflin Company, 1959).

<sup>2</sup> *Problems of United States Economic Development*, Vol. I (New York: Committee for Economic Development, 1958), p. 232.

maining problems in the affluent society is a redirection of productive effort to assure us of more collective consumption of welfare facilities and less private consumption of gadgetry: more emphasis upon mental capital to prevent dissipation of the economic surplus in a deluge of sensuality and intellectual stagnation.

On the other hand, ever since the great depression economists have emphasized broad aggregative categories—output, employment, consumption, and investment. They have switched from the historical emphasis of classical political economists upon distribution. Indeed, to maintain aggregate demand, in order to stimulate employment, many not entirely facetious proposals involving totally useless activity were advanced.<sup>3</sup> Digging holes and filling them up would certainly put money in workers' pockets and this would assuredly be spent by penniless boondogglers. Since such expenditures would never be competitive with "sound" business activity, there was even in some circles a preference for them. Furthermore, since these are useless expenditures, there was no danger of creating an excess supply. We can go on digging holes and filling them up *ad nauseam*, thereby providing an inexhaustible means of employment—creation which would not reduce the profit prospects of entrepreneurs. Though most economists would advocate road and school construction and the like as a more sensible approach, if there were political reasons preventing this, then boondoggling would be better than *ex cathedra* pronouncements about prosperity being just around the corner. In short, economics since the mid-1930's has concentrated on aggregates to such an extent that even (or perhaps especially) totally useless activity was tolerated. It is, of course, well known that payment for no effort is morally degrading. It is far, far better to expend human effort uselessly than to "corrupt" mankind by subsidy. So long as we retain the dogma which links rewards to efforts ("he who does not work, neither shall he eat") boondoggling on an ever more massive scale will become a permanent feature of the economy of abundance. Like Sisyphus we push the wheel of plenty up a hill which has no peak.

But beyond the recurrent necessity for bolstering a sagging economy, there remains persistent emphasis upon rapid economic growth. This is, in part, a natural desire for more and more but recently it has been linked with survival of the West. Khrushchev's declaration of economic warfare and the widening gap between Soviet and U.S. growth rates have engendered a special concern with economic progress. Our economic surplus, vast as it may be, may not be large enough. We have returned to a form of mercantilistic

<sup>3</sup> For example, J. M. Keynes, *The General Theory of Employment: Interest and Money* (London: Macmillan & Co., Ltd., 1951), pp. 128-131.

rivalry between East and West where the absolute size of the economic surplus takes second place to its relative rate of increase.

We have, then, two contending views, one emphasizing the composition of GNP and the other, its growth. In terms of the social and economic problems facing the United States at mid-century, which view has the most relevance? Should we play down economic growth and concentrate on a "better" distribution, or should we accelerate economic growth and leave distribution to take care of itself? It should be noted that this is not an "either-or" proposition; the question is rather which approach is deserving of most emphasis, a "more or less" approach which has been conspicuous by its absence in recent discussions. Our most scarce resource, intelligence, needs to be carefully allocated between means destined to assure more GNP or "better" composition of GNP.

Let us examine the implications of the two approaches. The new heterodoxy is, of course, full of value judgments and refuses to accept consumer sovereignty as the ultimate determinant of the composition of gross national product. The so-called "conventional wisdom" has generally believed that if the public prefers gadgetry to education, so be it. Indeed, there are some who would claim that the automobile is a unique U.S. art form. Consequently, we should not tamper with such "artistic" creations in favor of other uses of our economic resources. The basic question, then, is whether we should tamper with consumer sovereignty more than we are at present. There are normally three justifications for interfering with an unrestrained consumer sovereignty and producer freedom to respond to it. First, if consumers are ill-informed or are actively misinformed; second, as John Stuart Mill expresses it, is

The case in which it would be to the advantage of everybody; if everybody were to act in a certain manner but in which it is not in the interest of any individual to adopt the rule for the guidance of his own conduct unless he has some assurance that others will do so, too. There are a thousand such cases; and when they arise, who is to afford the security that is wanted, except the legislature.<sup>4</sup>

The third excuse for abridging consumer sovereignty involves the financing of something desirable which only government could undertake—such things, for example, as unemployment compensation, the school lunch program, and so on—things, which would not be done under the profit incentive. Given these three situations, there is no reason for not disturbing consumer sovereignty and restraining output of some things having a lower social value to produce others with a higher social value. Indeed, often in the past we have used taxation, tariffs, and other devices to warp the composition of gross national product, so there is plenty of precedent for inter-

<sup>4</sup> "Employment of Children in Manufactories," *The Examiner*, January 29, 1832, p. 67.

fering with it even more if this is deemed desirable. The question for the future, however, is whether these situations will become more prevalent and whether we shall be required to limit, supplant, or supplement consumer sovereignty more so than in the past.

With respect to advertising one fact is evident: far too much of it is of the persuasive variety designed to warp the consumer's choice by preying upon his psyche. To this extent, there is probably more thwarting of choice by sales effort than through government policy. One is reminded of Benjamin Fairless' remark, "Let's make them want what we produce."<sup>5</sup> This consumer-sovereignty-be-damned attitude deserves deliberate restraint. In the absence of more vigorous governmental policy in this area, we shall be getting more and more subliminal, persuasive, tasteless, garish sales effort since large firms generally find it more profitable to compete on this basis than on the basis of price and quality. Though difficult, the enforcement of acceptable standards in the advertising industry would seem to be an essential prerequisite to the effective functioning of free consumer choice.

But more collective consumption, rather than an enlightened consumer sovereignty, seems mandatory as society becomes more and more interdependent. Any organism becomes more complex as it evolves and this often represents a major weakness. In a complex Jupiter C rocket, it only takes one small malfunctioning part to prevent a successful flight. So too, as society becomes more interrelated, its susceptibility to serious interruption or breakdown increases. A medieval manor was not very wealthy but it was not subject to a business cycle; nor did it collapse when a neighboring manor was in trouble. Yet the U.S. economy, wealthy though it may be, does suffer from recurring business cycles and does shake when one of its component parts (for instance, General Motors) is disturbed. The need for positive governmental action to counterbalance the increasing sensitivity of a complex society has been recognized since the great depression. As we develop more specialized and sensitive parts, more of such stabilizing activities will become necessary. Government is truly the balance wheel of a private enterprise economy.

In addition to the rising complexity, as population and urbanization grow, the need for more social capital will expand enormously. The development of interurbia with cities hundreds of miles long (like the present East Coast metropolitan area) creates problems which can be resolved only at the governmental level. Slums, traffic congestion, and social service facilities, represent problems which are rising at a pace thus far in excess of our willingness or ability to cope with them.

<sup>5</sup> Cited in *Business Horizons*, Vol. I (Fall, 1958), p. 132.

In short, there will be a sharp increase in our needs for relatively more collective consumption in a variety of areas. In this sense the new heterodoxy is paving the way for future needs and correctly anticipating social requirements.

But one of the crucial questions which the proponents of the new heterodoxy have not faced up to is the problem of how to accomplish the redistribution or redirection of productive effort. If unemployment exists, there is, of course, no problem. Indeed, we normally get the most rapid increases in our social capital during periods of unemployment. There is during such times good excuse for wholesale construction of those things which would not be constructed by private enterprise—schools, roads, hospitals, libraries, museums, and so on are, or should be, the typical response of government to any substantial unemployment. They are—unhappy phrase—"make-work" projects which do not impinge upon or compete with private production. On the other hand, if there is full employment, then the classic device of the free enterprise economy (if it is decided that more social capital is needed) is to raise taxes which presumably will curtail some consumption expenditures and the resources so released may then be diverted to the public purpose. But at a time when most people profess to believe that taxes are already too high (which is true politically though not *necessarily* economically) the ability to raise taxes is seriously circumscribed. Thus to divert resources under a full employment situation would necessitate a direct bidding up of resource prices by government in order to attract them to the public purpose which would, of course, seriously expand the government deficit which, in turn, adds fuel to the inflationary fires. Though it seems that the bugaboo of inflation has been vastly overdone, it is, nonetheless, a powerful political argument and cannot be ignored. Thus the only technique available in a fully employed situation where inflation and high taxes are powerful political restraints is to impose direct embargoes upon certain areas of output, a technique unlikely to be adopted and one the economic consequences of which may prove to be undesirable.

Though we may well lament the fact that most of our needed public expenditures must wait until the demand for gadgets falls off, there appears to be no other alternative which is politically feasible; nor it is clear that the economic impact of a large, deliberate redistribution would have no adverse economic consequences. Overdone as the incentive and self-interest assumptions are, they nonetheless remain the predominant ethic and an undue abridgement thereof could seriously jeopardize the economic surplus. In short, our fully employed, affluent society is unlikely to be able or willing to divert enough productive activity to catch up with our deteriorating social capital. The highway inadequacy provides a good example. We will con-

tinue to produce automobiles much faster than the publicly provided facilities necessary for them can be produced, which will lead to further urban congestion and more highway fatalities. At full employment we cannot build the highway facilities fast enough because this would be inflationary and we hesitate to restrict automobile output. Thus the imbalance grows and with it the gap between the private and social costs of automobile production and use. We may, therefore, sympathize with the policy implications of the new heterodoxy but there appears to be little that can realistically be accomplished along such lines.

The second major problem involves the assumption that the economic surplus is substantial, even assuming it can readily be reallocated. But is the surplus in fact big enough? Here two problems are usually raised—first, the problem of our military posture and second, the problem of foreign aid. If we lived in a closed economy or in an international economy which had some reasonable prospects for peace, our economic surplus would be adequate to resolve the remaining pockets of residual poverty and repair the imbalance between private and collective consumption. However, we do not live in isolation, much as we would like to, and international affairs continue militant. With respect to the military argument, it is clear that increasing our facilities to produce corn flakes, colored television, and so on will scarcely suffice to fight a nuclear war. Such facilities cannot readily be converted to military production and, even if they could, in a nuclear war we would probably not have enough time to engage in the process of conversion. In this area the new heterodoxy is undoubtedly correct. It is not so much the rate of growth of GNP that is an index of our military strength but the proportion of military expenditures in the national budget. In this respect, then, it is unquestionably true that the composition of GNP takes on more importance than its magnitude. However, in terms of the magnitude of the economic surplus, it is not so clear that the amount of needed military expenditures may not constitute an excessive drain on the surplus and consequently we must also be concerned with its size. Indeed, the strain of defense expenditures even in pre-Sputnik Britain was so great that a "military new look" was required. Thus while our economic surplus is large, the strains upon it are increasing at a rapid pace: hence, we cannot forego or slow down our rate of economic progress. The composition and magnitude of GNP are of correlative importance in a militant environment. But it is clear that growth itself must be channelled along defense lines. We can easily afford to stand still in terms of present per capita consumption levels if this is necessary to enlarge our military establishment.

But what of foreign aid? Even assuming a complete thaw in the cold war, it is a moot point whether any nation or small group of nations can long



endure amid affluence while over two-thirds of the world lives in poverty. The coexistence of slums and mink coats has always led to resentment and frequently to open revolt. In reality we have no choice even on economic grounds but to assist the underdeveloped economies and we must do this on a scale vastly in excess of the current effort. Though our present foreign aid is large by past standards, it is small and even penurious in terms of present and future needs. To provide the economic assistance required, we must then be concerned with diversion of productive effort. Fewer domestic gadgets in exchange for a steel mill in India is a small price to pay for a more secure international peace. If the U.S. could not endure half slave and half free, can we expect to endure in a world economy 1/10 affluent and 2/3 poor?

As with military expenditures, however, our ability to absorb the increased strain of an accelerated aid program is also a function of the magnitude of our economic surplus. Hence we may in this area legitimately be concerned with both size and composition of our national output. We must, however, be careful in assessing the magnitude of the economic surplus. There exist at present a variety of demands upon it which are or will be growing at a rapid rate. Unless we are willing to curtail private consumption, economic scarcity, not affluence, will continue its historic role. There is, however, nothing in the immediate situation which would lead to a presumption that consumption will be reduced. Indeed, over the last 30 years we have established institutions and mechanisms designed to stimulate consumption, to create a relentless drive for more and more goods and services well beyond any basic or conventional family needs.

If "to have few wants is God-like," we are in the halls of the devil and seem likely to stay put for some time to come. Thus, to satisfy our military and foreign aid commitments, we must continue and, indeed, accelerate the pace of economic progress. Those who talk of affluence are soothsayers. Though one may agree on moral grounds that we should do more, it is difficult to see any practicable means whereby we can accomplish the required redistribution short of a wholesale change in many of our social institutions and private habits. These may come in the long run. But in the short run we cannot or will not reduce private consumption regardless of the degree of gadgetry therein. If we are to meet the challenge of the Soviet economic offensive and the needs of underdeveloped economies, the only answer is economic growth. The fetish of production in an economic guns and butter race virtually compels substantial emphasis up the growth regardless of the degree of affluence.

The new heterodoxy is premature and ignores the external militant environment. It also ignores the rate at which we are using up some essential and irreplaceable natural resources. Without continued concern for efficiency,



economy, and growth an affluent society could quickly revert. Indeed, past history reveals a striking correlation between economic stability and decline. The causal connection appears to lie in the absence of a peaceful internal and external milieu and an unwillingness to alter social institutions.<sup>6</sup> But there is nothing in the contemporary situation which would break this nexus between stability and decline. Continued growth remains therefore a necessary solvent which we ignore or even de-emphasize at our peril.

The harsh realities of the twentieth century then give the nod to the conventional wisdom. But winning on strictly pragmatic grounds the conventional wisdom does not deserve to take all the chips. Growth we must have and growth we will have. "Progress is our most important product" is not an empty shibboleth. Technological change and innovation have become institutionalized and to a large extent automated, built into the economic system. To the extent that growth has become routinized we can afford to shift our attention to the ethical problems of the use of the economic surplus raised by the new heterodoxy.

It is in the realm of values that the conventional wisdom emerges second best. The tragedy of our economic success is that we have lost a good deal of the individualism which was initially responsible for it. The affluent society, if or when it emerges, has potentialities for the maximum development of human personality unchained by a niggardly economic determinism. "Human" history begins when the economic problem is solved. But if in the process of solving it, we create a conformist, robot-like personality (a society of "hollow men"), we will have achieved a Pyrrhic victory. To live well means more than a full stomach and two cars in every garage. We face in a much more acute form the same problems which exercised J. S. Mill more than one hundred years ago and prompted him to assert: "So strong is the association between personal consequence and the signs of wealth, that the silly desire for the appearance of a large expenditure has the force of a passion, among large classes of a nation which derives less pleasure than perhaps any other in the world from what it spends."<sup>7</sup> These Veblenesque sentiments illustrate that the new heterodoxy is raising old problems. But whereas one hundred or one thousand years ago, such views could be interpreted as rationalizations of economic scarcity, today they take on new meaning. The affluent society needs a much closer balance between economic and ethical values. We need to re-emphasize that economic growth is a means, not an end. In this context, the redistributive argument has a vital message. It is,

<sup>6</sup> This point is discussed more fully in George W. Wilson, "Does Stability Inevitably Mean Decline?" *Southwestern Social Science Quarterly*, Vol. 39 (September, 1958).

<sup>7</sup> *Principles of Political Economy* (New York: D. Appleton & Company, Inc., 1882), Bk. I, Ch. XI, pp. 227-228.

however, a message which will go largely unheeded until the cold war in its economic and military aspects is somehow resolved. Indeed, the full implications of the new heterodoxy will require drastic alterations in many of our social institutions. In the meantime, it is heartening to see the age-old questions being vigorously propounded in an era when their merit is undeniable.

# Interest Rate Changes and the Corporate Income Tax

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THE INCIDENCE AND EFFECTS of the Federal corporate income tax have been explored at great length in recent years, but one sees or hears from time to time comments indicating that the part played by this tax during periods of general monetary restraint is not entirely clear. In newspapers and magazines, in the statements of public officials, and in conversation, one finds the assumption that a "tight money" policy has a lighter impact on corporations than on other borrowers who are subject to no income tax or to lower rates. The reasoning is that corporations who must pay the maximum Federal corporate income tax bear only 48 percent of the burden of increases in their interest costs, while the Federal government bears the other 52 percent through the loss of tax revenues.<sup>1</sup>

The purpose of this note is to focus attention on two points which should be obvious, but which apparently have not been clear to those who make this assumption. The first point is that increases in interest charges paid by corporations do not always result in equivalent reductions in profits, to be borne jointly by the corporate ownership and the government, but instead may result in adjustments which cause the burden of the cost increase to be distributed between the government, corporations, and consumers, with some corporations bearing a much heavier portion of the burden of such increases than others. The second point is that the burden of increased interest charges is just as heavy in a relative sense for the owners of the corporation paying

<sup>1</sup> See William McChesney Martin, "Public Debt Management," *Federal Reserve Bulletin*, June 1959, p. 582; W. Randolph Burgess, *Investigation of the Financial Condition of the United States*, Hearings Before the Committee on Finance, U. S. Senate, 85th Congress, 1st Session, 1957, p. 1202; Arthur Levitt, *Hearings, Monetary Policy: 1955-56*, U. S. Congress, Subcommittee on Economic Stability of the Joint Economic Committee, 84th Congress, 2nd Session, 1956, p. 26. References to a "48-cent dollar" have been made by Edward T. Thompson and Charles E. Silberman, "Can Anything Be Done About Corporate Taxes?" *Fortune*, LIX (May, 1959), 121; Harry J. Rudick, "What We Can Do About Taxes" (A Symposium), *Fortune*, LX (July, 1959), 218; D. B. Jenks, *Investigation of the Financial Condition of the United States*, (Compendium), U. S. Senate Committee on Finance, 85th Congress, 2nd Session, 1959, p. 247.

only 48 percent of the increase in interest costs from funds which they otherwise would have received as it is for the borrower who pays 100 percent of such an increase.

### *Adjustments to Increases in Interest Charges*

An increase in corporate costs will be accompanied by an equivalent reduction in profits only if the increase is so temporary as to preclude full adjustment in output or price or if the firm departs from the profit maximization principle. Of course, there are many ways in which a firm might incur "temporary" cost increases. For example, if a manufacturer sells an order with all the conditions of sale stipulated by contract, and then a trip to Europe by a representative of the manufacturer becomes necessary for a successful fulfillment of the contract, the expense of such a trip might very well reduce the firm's total profit by an equivalent amount.

There are also situations in which a corporation might more or less knowingly depart from the principle of profit maximization in the strictest sense. If, for example, a corporation's sales representative, traveling on an expense account, is faced with a choice between two hotel rooms, one at \$10 and one at \$15, he might choose the \$15 room and rationalize his action by saying that the additional cost is deductible for tax purposes and is therefore borne, at least partially, by the government. The additional \$5 expenditure would reduce the corporation's profits by an equivalent amount, and the firm would be spending a "48-cent dollar" in the sense that only 48 cents of each dollar of profit foregone would otherwise have gone to the owners of the corporation, while 52 cents would have gone to the Federal government.<sup>2</sup>

Although some of those who refer to the "48-cent dollar" may have in mind the type of expenditure described above, others specifically state that the Federal government shares with profit-maximizing corporations the burden of interest costs. According to Arthur Levitt, Comptroller of the State of New York,

... the Federal corporate income tax rate of 52 per cent means in effect that the Federal Government is sharing to that extent the increased interest costs of private business which are deductible from taxable income. ... when a business corporation

<sup>2</sup> See Harry J. Rudick, *op. cit.* It should be noted that cost increases of either of these types need not necessarily reduce profits by the full amount of the cost increase in the long run. If increases in sales or service expenses, even though they reduce profits temporarily, should result in increased profits at some later date, both the corporation and the government would then receive more income; and if the net result of any cost increase is higher rather than lower profits, then the government cannot be said to be bearing 52 percent of the burden of the cost increase, because there is no net burden. Instead, the 52 percent tax means that the net return to the owners of the corporation is less than would otherwise have been the case.

has to pay \$2 million in interest, the stockholders of the company are out of pocket only \$1 million and the United States Treasury contributes the other million through a tax reduction.<sup>3</sup>

More recently William McChesney Martin, Chairman of the Board of Governors of the Federal Reserve System, said:

... if both the borrower and the lender are subject to the 52 per cent tax on corporate profits, the borrowers' net cost and the lenders' net return is a little less than half the expressed rate. Thus, a market rate of say, 4 per cent implies for both parties a net rate of a little less than 2 per cent.<sup>4</sup>

W. Randolph Burgess, speaking as Undersecretary of the Treasury, suggested that the Federal tax reduces the burden of increased interest charges to such an extent that the impact of monetary policy is substantially reduced for some firms:

We are having policies designed to restrain inflation. A part of that is the interest rate that a business concern pays when it borrows money, but the fact that 52 per cent of the interest rate they pay is a tax deduction means that to interpret these rates in terms of their deterrent effect or their stimulation effect on business, you have to chop the rate in two; so they may appear to be paying a 6 per cent rate when actually they are paying 3 per cent.<sup>5</sup>

These and similar statements apparently assume that when a corporation pays higher interest charges, its profits are reduced by an equivalent amount; but this is not always the case. When interest rates rise, the reactions of corporate borrowers may vary greatly, depending upon whether the corporation regards the rate increase as a short-run or a long-run measure. If the corporation feels that the period of credit stringency is likely to be brief, it is not likely to adjust price or output as a result of interest-rate increases. The assumption that increased interest costs will be absorbed through an equivalent reduction in profits is likely to be a sound one under such circumstances. However, when credit stringency is maintained fairly constantly over a period of years, as it has been since 1955, other steps must be taken.

Since in the long-run all costs are variable, a long-run increase in interest rates will necessitate adjustments in both price and output. The increase in variable costs causes an upward shift in the marginal cost schedule, and if profits are to be maximized, output must be reduced to the point at which, according to the new schedule, marginal cost equals marginal revenue. For the firm operating under highly competitive conditions, this is its means of minimizing losses while at the same time participating with other firms in the industry in a reduction in supply which will eventually force the price

<sup>3</sup> Arthur Levitt, *op. cit.*

<sup>5</sup> W. Randolph Burgess, *op. cit.*

<sup>4</sup> William McC. Martin, *op. cit.*

upward to a new equilibrium level, assuming no change in demand. Of course some firms might not have sufficient reserves to operate at the necessary loss while waiting for a price rise, in which case they would be forced out of business; but the slight readjustments brought about by interest-rate changes would not be likely to have such drastic results. The firm operating under conditions of monopoly or monopolistic competition would not have to wait for an adjustment in price through the market mechanism. Instead, the corporation would cut output to the point at which the increased marginal cost equals marginal revenue, and increase price according to its demand schedule. Profit would be diminished, but by a smaller amount than the increase in cost, *ceteris paribus*.

Whether the corporation is producing under competitive or monopolistic conditions, a long-run rate increase would not result in an equivalent reduction in profit for the profit-maximizing firm. Price and output would be adjusted; and although profit would be reduced, the reduction would not be equivalent to the increase in interest charges. This means that the Federal government would not bear 52 percent of the burden of interest-rate increases. Instead, the burden of the increase would be divided between the purchasers of the product and the recipients of the profit, (the owners of the corporation and the Federal government) in a ratio depending upon the elasticity of demand for the product.

#### *The Relative Burden of Increased Costs*

The question of the relative impact of interest-rate increases on those corporations actually paying such increases, or a portion of them, as compared to noncorporate borrowers, is perhaps more important than the fact that many corporations shift a portion of this cost. The corporate borrower who regards the interest-rate increase as a short-run phenomenon, or who finds it administratively impossible to make the profit-maximizing adjustments described above must pay the full amount of the increase from profits, 52 percent of which otherwise would have gone to the Federal government. The corporate borrower who shifts a portion of the increased cost to his customers must also pay the remainder from profits; but in either case, the burden of this payment is just as heavy in a relative sense for the corporate borrower as for the borrower from whom such a payment does not result in a reduction in tax liability. A corporation subject to the maximum Federal tax must earn \$1.00 in order for the stockholders to receive 48 cents. Therefore, the loss of 48 cents of after-tax profit through increased costs is relatively much more important to the owners of the corporation than the loss of 48 cents to other types of borrowers.



This may be illustrated by comparing the effects of an interest-rate increase of 2 percent on (a) a corporation, entirely debt-financed, and (b) a state-operated, user-financed enterprise of the same magnitude.

	(a)	(b)
Gross receipts	1,000	1,000
Operating expense	800	800
Operating income	200	200
Debt outstanding	3,000	3,000
Interest @ 3%	90	90
Taxable income	110	-----
Tax @ 52%	57.20	-----
Usable income	52.80	110
Interest @ 5%	150	150
Taxable income	50	-----
Tax @ 52%	26	-----
Usable income	24	50
Absolute change in usable income	28.80	60
Relative change	—28.80/52.80=6/11 —60/110=6/11	

Although the rate increase reduces funds available for use more for the tax-exempt enterprise in absolute terms, the *relative* change is the same for both tax-exempt and taxed units. The burden of higher interest costs is therefore just as heavy in a relative sense for corporations subject to high Federal income taxes as for other borrowers such as state and local governments and nonprofit organizations.

### Conclusion

This note is an attempt to show that the Federal government does not, as has been alleged, bear 52 percent of the burden of increased interest payments for corporations subject to the maximum corporate income tax. While it is true that under some circumstances a portion of the increase may be shifted to consumers, each dollar of increased interest charges actually paid by corporations represents a burden equal in weight in a relative sense to a dollar paid for such a purpose by any other borrower. This does not mean, of course, that the total impact of credit restraint and higher interest rates is the same for all types of borrowers. Obviously, some corporations are in a position to make financial arrangements that greatly reduce the effects of restrictive monetary policy for them as compared with other borrowers who may be subjected to greater restraints. The equality of the burden of interest-rate increases may appear insignificant in comparison with some of the more obvious inequalities in the impact of monetary restraint. However, intelligent monetary policy requires that the effects of every policy measure be accurately assessed, and this note is presented in the interest of such accuracy.



# Administered Prices: A Review and Appraisal

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CREDIT FOR INVENTING the term "administered pricing" is generally given to a well-known economist, Gardiner C. Means, who first used the term in 1935 while serving as economic adviser to the Secretary of Agriculture. Means' definition is as follows:

An administered price . . . is a price which is set by administrative action and held constant for a period of time. We have an administered price when a company maintains a posted price at which it will make sales or simply has its own prices at which buyers may purchase or not as they wish.<sup>1</sup>

There are three important elements in Means' definition:

1. Administered prices are set by conscious administrative action by producers rather than by impersonal interplay of supply and demand in the market.
2. Administered prices are held constant for a period of time and/or over a series of transactions. The length of the period and number of transactions varies.
3. Producers offer products on a take-it-or-leave-it basis.

A fourth element has been introduced by later writers, namely, that they occur in situations where prices of different sellers bear a close relationship to each other.<sup>2</sup>

Numerous other formal definitions have been proffered by writers on the subject, but no one of these is clearly better than the others. Each contains one or more of the four elements cited above, with variations in emphasis.<sup>3</sup> Numerous synonyms can be found in the literature, including monopolistic, oligopolistic, imperfectly competitive, quoted, sticky, inflexible, rigid, and cost-plus prices.

<sup>1</sup> Gardiner C. Means, *Industrial Prices and Their Relative Inflexibility*, Senate Document 13, 74th Congress, 1st Session, 1935.

<sup>2</sup> Betty Bock, "Introduction" in *Administered Pricing: Economic and Legal Issues* (New York: National Industrial Conference Board, Inc., 1958), p. 10.

<sup>3</sup> See Jules Backman in *Steel and Inflation* (New York: United States Steel Corporation, 1958), pp. 270-271.

In common usage, "administered prices" are viewed as part of a dichotomy, the other part being "market prices." Market prices are conceived as being set by strictly impersonal forces in the market place, collectively referred to by Adam Smith as the "Unseen Hand." Certain characteristics of each type of price serve to distinguish between them:

1. Market prices tend to fluctuate freely up and down, whereas administered prices tend to change slowly.
2. Market prices often change erratically, while administered prices tend to change in stepwise fashion.
3. Administered prices generally require an accumulation of pressures before changing.
4. The two kinds of prices can generally be related to certain kinds of products, as will be shown later.
5. Market prices tend to respond quickly to demand and cost changes, while with administered prices there is often a lag between changes in price determinants and a decision to change the price.
6. In administered price situations there are generally fewer buyers and sellers than in market price situations.

For purposes of the analysis which follows, a formal definition is not necessary or even very enlightening. The term administered prices is inherently vague and non-rigorous. We shall use it in the sense originally conceived by Means and widely used in popular discussion.

Conceptually, there is a clear distinction between administered prices as the result of a price setting process, and administered prices as a pattern of price behavior. As a practical matter, however, the distinction is not very clear. This fact is evident in much of the literature—the two notions are used almost interchangeably. For a clear understanding of the analysis that follows, it is essential to keep this source of confusion in mind.

The history of the study of the administered price problem falls into two broad periods. The first, beginning in the mid-1930's and continuing until 1957, was characterized by discussion, largely academic, in published articles by professional economists. The second, extending from 1957 until the present (mid-1960), is characterized by highly publicized Congressional hearings.

Although administered prices have undoubtedly existed in our economy since colonial times,<sup>4</sup> Means' paper in 1935 was the first to focus attention on them as a distinct problem. Concepts related to administered prices had been expounded earlier, but no one had "put the finger" on administration

<sup>4</sup> Rufus S. Tucker, "Reasons for Price Rigidity," *The American Economic Review*, XXVIII (March 1938), 41.

per se as a public issue. Means' paper had an explosive effect which reverberates to this day.

The paper purported to show statistically that administered prices are prevalent in the American economy. The essence of the argument was a chart showing a tabulation of the number of price changes for each of 747 items in the Bureau of Labor Statistics wholesale price index arranged in a frequency distribution. The period covered was 95 months from 1926 through 1933. The frequency distribution was U-shaped, with one cluster of items with few changes, and a second cluster of items with numerous changes, the maximum, of course, being 95 changes. Means concluded that the clusters on either side of the U-shaped curve represented two types of price. The flexible prices, those with many changes, he interpreted as being market prices around which traditional economic analysis was built. The inflexible prices, those with few or no changes, he interpreted as being administered.

In addition to frequency of price change, Means also studied the amplitudes of price changes and found them to be highly correlated with frequency of change. This correlation was shown by means of scatter diagrams. In a National Resources Committee Monograph,<sup>5</sup> Means shows a bar graph of distribution of 617 wholesale price index items by per cent of price change, for 1926 to 1929. The distribution is roughly symmetrical, with a pronounced peak at minus 5 per cent, and most of the distribution falling in the range from minus 35 per cent to plus 35 per cent. Several other writers,<sup>6</sup> produced the same unimodal results. Because of the unimodal distribution no distinction could be drawn between administered price and market price commodities. Hence, relative amplitudes of changes never became important in the literature on administered pricing.

Other important early works on the subject of administered prices were those of Mills,<sup>7</sup> Dunlop,<sup>8</sup> Neal,<sup>9</sup> Thorp and Crowder,<sup>10</sup> and Blair.<sup>11</sup> Among

<sup>5</sup> National Resources Committee, *The Structure of The American Economy; Part I Basic Characteristics*, Chapter VIII "The Price Structure" (Washington: Government Printing Office, 1939), pp. 122-152.

<sup>6</sup> E. S. Mason, "Price Inflexibility," *Review of Economic Statistics*, Vol. 20 (1938), pp. 53-64; Saul Nelson and W. G. Keim, *Price Behavior and Business Policy*, TNEC Monograph 1 (Washington: TNEC, 1940).

<sup>7</sup> F. C. Mills, "Elasticity of Physical Quantities and the Flexibility of Unit Prices in the Dimension of Time," *Journal of the American Statistical Association*, XLI (December, 1946), 439-467; and *The Behavior of Prices*, (Washington: National Bureau of Economic Research, 1927).

<sup>8</sup> John T. Dunlop, "Price Flexibility and the Degree of Monopoly," *Quarterly Journal of Economics*, LIV (August, 1939), 522-533.

<sup>9</sup> Alfred C. Neal, *Industrial Concentration and Price Inflexibility* (Washington: American Council on Public Affairs, 1942).

<sup>10</sup> Willard L. Thorp and Walter F. Crowder, *The Structure of Industry*, TNEC Monograph No. 27 (Washington: TNEC, 1941); and "Concentration and Product Characteris-

these, only Blair concluded that price administration is associated with price rigidity or industry concentration.

The subject of administered prices has been analyzed in detail in two series of Congressional hearings, the first conducted by the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary, and the other by the Joint Economic Committee. The Senate hearings, under the chairmanship of Senator Estes Kefauver, opened in July, 1957. The testimony, prepared statements, and special studies emanating from these hearings have generated several volumes of data and analysis. Because of the significant political overtones, of course, some of these contributions suffer from biases and vituperations. However, much of the data are of high caliber.

The following excerpts from Senator Kefauver's opening remarks outline the reasons for the inquiry:

In opening these hearings on "Administered Prices," the Subcommittee on Antitrust and Monopoly is trying to come to grips with what is probably the Nation's current No. 1 domestic problem—the problem of inflation. We are concerned particularly with the extent to which administered prices in concentrated industries may contribute to this problem.

... the Consumer Price Index reached a new high in May ... but all prices have not risen to the same extent, nor indeed have all prices even participated in the advance ... What are the reasons for these differences in price behavior? How can prices go up in the face of declining demand and excess capacity? To what extent are the increases centered in administered price industries? ...

With the passage of time, administered prices have become more and more important in our economy. This has been partly due to the changing composition of the country from a predominantly agricultural to a predominantly industrial economy.

There is evidence to indicate that this has also been due in part to a longtime increase in economic concentration and that this trend has been increasing ...<sup>12</sup>

The hearings began with statements by eminent economists with divergent views. J. K. Galbraith<sup>13</sup> stated that "plenary power" to set prices within a considerable range is commonplace and inevitable in industries in the hands of a relatively small number of firms. Thus a large amount of price administration by private firms is part of our capitalist system. Gardiner Means<sup>14</sup> stated "administered prices are an essential part of our modern economy,"

tics as Factors in Price-Quantity Behavior," *American Economic Review*, XXXI (February, 1941), Supplement.

<sup>11</sup> John M. Blair, "Price and Wage Flexibility, Economic Concentration, and Depression Price Rigidity," *American Economic Review, Progress and Proceedings*, XLV (May, 1955); and "Means, Thorp, and Neal on Price Inflexibility," *The Review of Economics and Statistics*, XXXVIII (November, 1956).

<sup>12</sup> U. S. Senate Subcommittee on Antitrust and Monopoly, *Administered Prices: Part 1, Opening Phase: Economists Views*, (Washington: U. S. Government Printing Office, 1957), pp. 1-2.

<sup>13</sup> *Ibid.*, p. 34.

<sup>14</sup> *Ibid.*, pp. 75, 88.

but we do not know enough about how they operate to be able to make good national policy on inflation, full employment, and competition. He further maintained that administered prices were in part responsible for the 1955-1957 inflation, since these prices rose while market prices were stable or falling.

E. G. Nourse<sup>15</sup> also took the position that administered pricing is a natural outgrowth of modern industrialism and can promote economic growth and business stability. He sounded a note of caution, however, that actual administration of prices of goods, services, and labor may impede full employment.

Richard Ruggles<sup>16</sup> made a statement based on empirical studies of the economy as a whole, that administered prices exist in specific firms and industries, but they cannot be shown to have had a major role in the 1955-1957 price rise.

After hearing these opening statements, the Subcommittee met at various times during 1958 to study price administration in two key industries—steel and automobiles. The hearings were inconclusive, judging by the comments of Senator Dirksen and Senator Kefauver:<sup>17</sup>

Senator Dirksen: . . . We started out on this inflation jaunt last year, and we got terribly sidetracked. In fact, the whole subject of inflation got lost in the fall . . . I was afraid we were out on a political jaunt . . . lost in the mishmash . . .

Senator Kefauver: . . . I appreciate your question. I personally do not think we were sidetracked . . . I think one of the main issues was whether there was real price competition in automobiles, or whether there was competition only as to such things as fancification. We were very interested in the fact of idle plant capacity at the same time that prices were going up . . . We certainly do not have the answer now.

These remarks were made at hearings in January, 1959, which turned again to professional economists. Messrs. Nourse and Means repeated substantially their earlier remarks. Walter S. Adams made a very strong statement to the effect that the public interest can best be served by a competitive industrial structure, and asserted that a structure based on concentration "gives the results of collusion and conspiracy." With competition as a goal, "the only real solution, the most effective remedy, is dissolution, divorce, and divestiture . . ." His position was equally strong, however, that administered prices are but a symptom of industrial concentration, and the problem is how to deal with concentrated economic power, not administered prices.<sup>18</sup>

<sup>15</sup> *Ibid.*, p. 9.

<sup>16</sup> *Ibid.*, p. 140.

<sup>17</sup> U. S. Senate Subcommittee on Antitrust and Monopoly, *Administered Prices: Part 9, Administered Price Inflation: Alternative Public Policies* (Washington: U.S. Government Printing Office, 1959), p. 4695.

<sup>18</sup> *Ibid.*, pp. 4780, 4783.

The subject of administered prices has come up repeatedly in a series of hearings on "The Relationship of Prices to Economic Stability and Growth" by the Joint Economic Committee of Congress, under the chairmanship of Representative Wright Patman. As suggested by the title, the subject matter of these hearings is very broad.

Among the more important documents submitted at the hearings is a special study by the Bureau of Labor Statistics on price flexibility,<sup>19</sup> prepared at the request of Senator Paul Douglas, a member of the Joint Economic Committee. This study employed essentially the same techniques as Means' study in 1935 but covered a later period: 1954-1956. The empirical findings on price changes were very similar to those of Means.

Another paper in this series was prepared by Charles L. Schultze,<sup>20</sup> dealing with the 1955-1957 inflation. Although Schultze did not refer to administered prices by name, it is clear that he would not consider them an important factor in the 1955-1957 inflation.

Emmette S. Redford submitted a paper<sup>21</sup> outlining a program of government surveillance of pricing to avoid excessively high prices which might be induced by sellers' market power. In effect, this proposal would result in government participation in the process of setting prices—a version of administered pricing. Redford describes the enormous and profound administrative problems in such a scheme.

In addition to these special studies there were four other parts of the Joint Committee's proceedings: (1) a compendium of papers by forty-seven academic economists, (2) a series of hearings with these economists as participants, (3) commentaries by labor and industry economists, and (4) panel discussions among the economists from labor, industry, and the academic world. The comments cited here are drawn from the second part, and all appear in the same publication.<sup>22</sup>

Bert C. Hickman<sup>23</sup> stated that even administered prices have to be set at some level which is profitable to the company; product demand sets limits within which the firm must price in order to achieve satisfactory profits. Martin J. Bailey<sup>24</sup> discussed the findings of a review of research on administered prices, and felt that the evidence showed administered prices to be (1)

<sup>19</sup> Bureau of Labor Statistics, *Frequency of Change in Wholesale Prices: A Study of Price Flexibility* (Washington: U.S. Government Printing Office, 1959).

<sup>20</sup> Charles L. Schultze, *Recent Inflation in the United States* (Washington: U.S. Government Printing Office, 1959).

<sup>21</sup> Emmette S. Redford, *Potential Public Policies to Deal with Inflation Caused by Market Power* (Washington: U.S. Government Printing Office, 1959).

<sup>22</sup> Joint Economic Committee, *Relationship of Prices to Economic Stability and Growth, Hearings on May 12-22, 1958* (Washington: U.S. Government Printing Office, 1958).

<sup>23</sup> *Ibid.*, p. 93.

<sup>24</sup> *Ibid.*, p. 51.



practically nonexistent in the private sector, (2) of no great importance in the private sector, and (3) not of itself a proper concern of public policy nor a subject worthy of the attention of the Congress. He observed that, "Studies of the major industrial products, taken industry by industry, have tended to show that the obviously differing degrees of price flexibility of different products are almost entirely explainable without regard to concentration or monopoly."<sup>25</sup>

In contrast to this view, Abba Lerner<sup>26</sup> stated that administered prices which have escaped the automatic regulation of the market should be regulated as are public utility prices. R. F. Lanzillotti<sup>27</sup> cited case studies of company pricing practices, and concluded that companies change prices infrequently as a result of target-return pricing and over-all market strategies, and we cannot expect more flexible prices in industry generally. Albert Rees<sup>28</sup> introduced the idea that administered prices are largely fictitious, since they do not represent the prices at which sales are actually made.

Many pages of formal statements and recorded discussions are cited in the Bibliography of the Joint Committee's publication, all touching implicitly or explicitly on the subject of administered prices. A study of this material does not reveal any ideas substantially different from those cited above.

The Bureau of Labor Statistics' study, although essentially a duplication of the original Means' study, touches on the very heart of the issue as it has developed in the literature and in public debate. This study presents an analysis of the frequency and amplitude of price changes of 1,789 commodities over a three-year period, 1954-1956. These commodities include most of the items found in the Bureau's monthly Wholesale Price Index.

The distribution of products by number of price changes is shown in Figure 1. Ninety-five of the 1,789 commodities remained unchanged during the thirty-six-month period. About two-thirds of the items showed eight or fewer changes, and fifty commodities showed a price change in each of the thirty-six months.

The general contours are the same when the distribution is shown in terms of aggregate market values of commodities, as in Figure 2. The most significant difference is the high aggregate value associated with the thirty-six-change category, due primarily to the concentration of farm products in this category.

For the five quintiles of change frequency over the ten-year period, 1947 to 1956, the change in price level was greatest for the group of commodities with an intermediate frequency of price change. The change in price level

<sup>25</sup> *Ibid.*, p. 52.

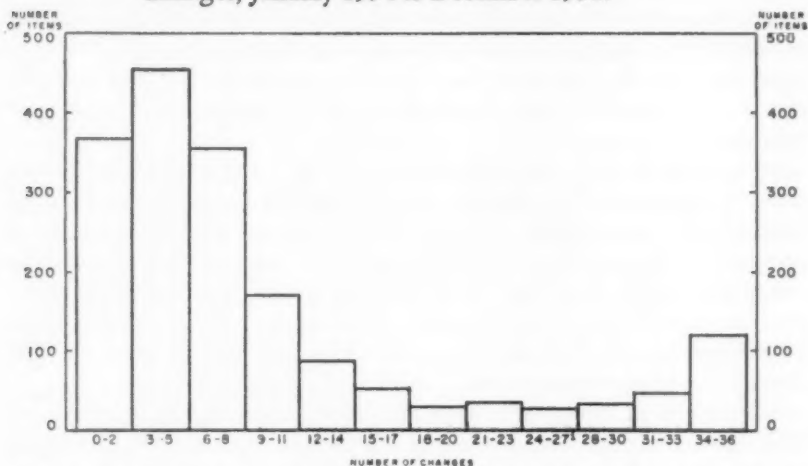
<sup>27</sup> *Ibid.*, p. 290.

<sup>26</sup> *Ibid.*, p. 129.

<sup>28</sup> *Ibid.*, p. 400.

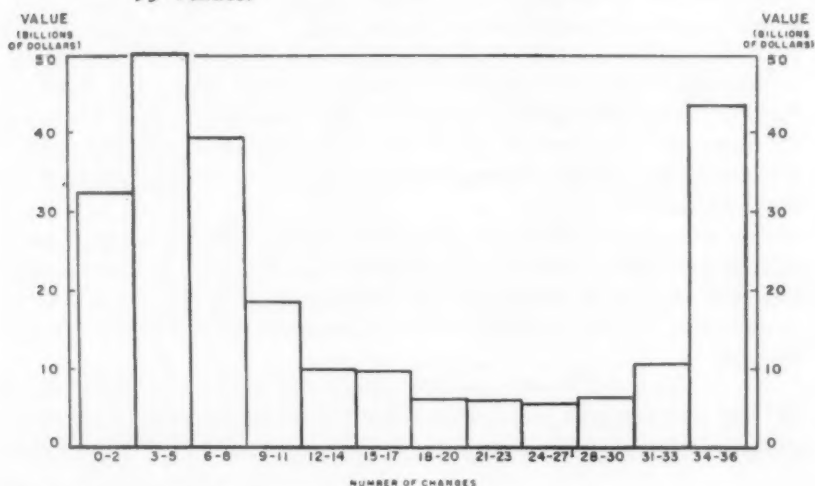


FIGURE 1. Distribution of 1,789 Commodities, by Number of Price Changes, January 1954 to December 1956.



<sup>1</sup> The 24-27 change group contains four change intervals. The "odd" interval has been included in the smallest group to minimize distortion in the findings.

FIGURE 2. Distribution of 1,789 Commodities, by Number of Price Changes, January 1954-December 1956, Weighted by 1952-53 Values.



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<sup>1</sup> See footnote 1, Figure 1.

was least for the quintile with the most frequent price change, and was next least for the quintile with the fewest price changes.

In analyzing the significance of these findings, we must keep certain limitations in mind. First, the actual frequencies of price change tend to be understated because the Bureau of Labor Statistics collects only posted, or "list" prices, and does not take into account various discounts and other price concessions which are, in effect, price changes.

Second, merely noting the changes in prices conveys nothing but how the changes were related to changes in price determinants. A purely administered price may be changed fairly frequently for strategic reasons which may have nothing to do with demand changes. On the other hand, certain market-determined prices may change infrequently if the price determinants do not change.

Third, and most serious, the curve is U-shaped in part because it is made to be. The prices of many commodities change much more often than monthly—some change daily and even hourly. In the frequency distribution, these commodities are all "lumped" in the thirty-six-change category, since that was the maximum number of recorded changes. If the chart were extended to accommodate separate intervals for, say, up to 720 changes (thirty-six months each, with twenty business days), the U-shape disappears.<sup>29</sup>

The Bureau of Labor Statistics' data lead this author to three conclusions. (1) Accepting the Means definition, administered prices are clearly dominant in our economy; the number of price changes for the bulk of fabricated products are too infrequent to conclude that these prices are set by the dynamic, impersonal forces of the market. This conclusion is not very profound, since it is virtually self-evident. (2) There is no dichotomy of administered versus market prices. There is a broad continuum of flexibility, with some prices being more flexible than others, but there is no standard of flexibility. (3) The data on index change by flexibility quintile indicate that there is no correlation between flexibility, or degree of price administration, and relative price level.

In addition to the Bureau of Labor Statistics' study cited above, other evidence on the prevalence of administered prices has been published by Backman,<sup>30</sup> Means,<sup>31</sup> and Oxenfeldt.<sup>32</sup>

<sup>29</sup> This idea was developed concerning Means' original paper by Tibor Scitovsky in "Prices Under Monopoly and Competition," *Journal of Political Economy*, IL (October, 1941), 681.

<sup>30</sup> Jules Backman, in *Steel and Inflation* (New York: United States Steel Corporation, 1958), pp. 209-210.

<sup>31</sup> Gardiner C. Means in *Hearings . . . before the Subcommittee on Antitrust and Monopoly, Opening Phase: Economists Views* (Washington: U.S. Government Printing Office, 1957), pp. 75, 77.

<sup>32</sup> Alfred R. Oxenfeldt, *Industrial Pricing and Market Practices* (New York: Prentice-Hall, Inc., 1951), p. 190.

What are the factors that contribute to this pervasiveness? They fall generally into two groups. The first group pertains to the over-all industrial organization in the United States. The second concerns the methods by which individual companies set their prices.

One of the dominant characteristics of the United States economy has been the persistent exploitation of the fruits of large-scale enterprise. This large scale has been engendered on the demand side by the fact that most producers can find large potential markets consisting of all or most of the United States. Freedom from trade restrictions, existence of an efficient and stable system of money, banking, and credit, and an excellent transportation system all help to foster mass markets, thus encouraging large-scale production.

On the supply side, big enterprises are encouraged by the economies of large-scale production. These economies for individual plants occur in the form of lower average unit costs, and result from intensive use of specialized capital equipment. There are also important economies in finance, research and development, forward planning, marketing (e.g., advertising), and utilization of entrepreneurial talent. Large scale enterprises, in turn, foster certain institutional forces that help cause administered pricing. These forces include the following: (1) Negotiated wage rates: There is widespread acceptance of union-management contracts covering periods of one year or more. These agreements contribute to rigidity in labor costs. (2) Negotiated supply contracts: Many companies enter agreements with suppliers to provide stipulated quantities of a material at specified times and prices. Such agreements tend to introduce rigidity in costs of supplies. (3) Negotiated sales contract: Every negotiated supply contract for one company is a sales contract for another. Prices established by negotiation are, by definition, administered.

Another outgrowth of large-scale enterprise is the fact that most companies have complex product mixes, including several price lines for different products. Price changes in one product may disrupt this over-all price relationship, hence, the reluctance to allow prices to fluctuate freely in response to changing market conditions.

The existence of relatively elastic supply schedules as an additional economic force contributing to administered pricing has been described by Kaplan *et al.*<sup>33</sup>

Although this discussion suggests that price administering results from certain characteristics inherent in large-scale enterprise, it must not be in-

<sup>33</sup> A. D. H. Kaplan, Joel B. Dirham, and Robert F. Lanzillotti, *Pricing in Big Business* (Washington: The Brookings Institution, 1958), p. 283.

ferred that such pricing is confined to big companies. Small companies, too, face many of the rigidities referred to above.

According to Dean,<sup>34</sup> surveys of business practices reveal that the most pervasive pricing method used is to make a cost estimate and to add a margin of some kind for profit. By cost is meant full allocated cost at current output and wage levels. By profit margin is meant a fixed percentage mark-on, which differs greatly among industries and among firms. Dean points out that costs tend to be rigid and that this rigidity is imparted to prices. This conclusion is corroborated by Kaplan.

In many instances company prices are dictated by some concept of a "just price," established by custom or tradition. Dean states that the concept of the "just price" is surprisingly common and in many industries restrains price rises as well as price declines. For price leaders and producers who have considerable latitude in price-making, obtaining a "reasonable" profit is often a more common goal than profit maximization.<sup>35</sup>

The belief is widely held that demand for most products is price inelastic. There is some statistical evidence to support this view, but the important fact is that businessmen believe it to be so. Sellers in industries with relatively few firms have strong incentives to continue the prevailing price because rivals ordinarily will not follow price increases but will match price reductions. The importance of this influence will depend in large measure, of course, on the degree of differentiation of a company's products.

Much of price administration is carried out for purely practical reasons. Price schedules are complex, and changing them involves costs. Most firms do not recalculate prices from the ground up except under the most extraordinary circumstances. Instead, price setters tend to build upon prices that already exist, with reference to (a) prices that existed in the immediate past or (b) to prices charged by other firms in the present.

Zingler suggested a closely related but apparently original idea that many firms are price administrators whether they wish to be or not.<sup>36</sup> This occurs when there is no established market price for the same or related products, and a firm must create a price on the most rational basis it can find.

Much industrial pricing is done under oligopoly conditions where "price competition always contains the seeds of a cutthroat battle."<sup>37</sup> Changing prices always invites unpredictable actions by competitors: a price increase

<sup>34</sup> Joel Dean, *Managerial Economics* (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1951), p. 444.

<sup>35</sup> *Ibid.*, p. 460.

<sup>36</sup> Ervin K. Zingler, "The Folklore of Administered Prices," *The Business Review*, VI (February, 1959), 11-12.

<sup>37</sup> Joel Dean, *op. cit.*, p. 459.

by a price leader may not be followed, or a price cut may be followed by deeper cuts by competitors.

Factors relating to the economy as a whole, then, include (a) the size of the United States market, (b) the possibilities for economies of scale, (c) negotiated wage and sales contracts, (d) the complexities of product mixes for individual firms, (e) high elasticities of supply, and (f) the fact that pricing is but one of a complex of elements in over-all company strategies.

Factors relating to pricing policies of individual firms include (a) cost-plus pricing with many rigidities in costs, (b) the influence of custom and tradition, (c) price inelasticity of demand, (d) practical demands of running a business, and (e) potential cutthroat competition existing in oligopoly situations.

It seems evident that these factors are fundamental attributes of our economic system. Because profound changes in these attributes are not likely to occur in the foreseeable future, it is reasonable to conclude that administered pricing is inevitable—at least for as far into the future as anyone can forecast.

The possible relationship between administered prices and inflation is one of the central issues in the investigation by the Kefauver committee. The position that price administration is a cause of inflation has been taken by two writers, John M. Blair<sup>38</sup> (Staff director of the Kefauver committee) and Gardiner Means.<sup>39</sup>

Much of the initiating force behind the Kefauver investigation originated in the 1955 to 1957 period of rapidly rising prices. These price rises took place in the face of excess capacity and falling demand. In many industries, there was general agreement among economists (Nourse, Means, Galbraith and Ruggles) who testified before the Subcommittee that this situation was unusual.

Means offered a hypothetical explanation of the relationship between administered pricing and inflation, but did not offer any evidence to support his hypothesis.<sup>40</sup> Nor did he offer any reasons why this hypothesis should be accepted in preference to others that may be consistent with the facts. It appears that his hypothetical mechanism can never be more than just that, since it is open to serious question. At least several writers, Schultze,<sup>41</sup> Back-

<sup>38</sup> John M. Blair, *Seeds of Destruction* (New York: Covici, Friede, Inc., 1938), pp. 90-91.

<sup>39</sup> Gardiner C. Means, in U. S. Senate Subcommittee on Antitrust and Monopoly, *Administered Prices: Part 9, Administered Price Inflation: Alternative Public Policies*, p. 4746.

<sup>40</sup> Gardiner C. Means, in U. S. Senate Subcommittee on Antitrust Monopoly, *Administered Prices: Part 1, Opening Phase: Economists Views*, p. 84.

<sup>41</sup> Charles L. Schultze, *op. cit.*

man,<sup>42</sup> and the Cabinet Committee<sup>43</sup> seem to agree that the explanation for the most recent inflation must lie in causes other than administered prices.

Means' original paper on administered prices stated that they were responsible for failure of a laissez faire policy, although insisting that administered prices should not be confused with monopoly prices. In addition to Means, two other sources—John Blair, and a report by the Temporary National Economic Committee<sup>44</sup>—lend support to the idea that administered pricing is somehow related to monopoly power. Convincing evidence exists, however, that there is no relation between administered pricing and monopoly. Some of the most relevant data and opinion were discussed above. In addition, similar thoughts have been expressed by Galbraith,<sup>45</sup> Adelman,<sup>46</sup> Kaplan,<sup>47</sup> Backman,<sup>48</sup> and Nourse and Drury.<sup>49</sup>

There have been only a few references in the literature to the relationship between administered prices and allocation of resources.<sup>50</sup> None of the references provide any empirical data, but are based entirely on logical considerations. The argument that a relationship does exist arises from the belief that, for efficient allocation of resources, prices must respond instantaneously to changes in demand and cost conditions. Since administered prices, by definition, remain unchanged for a period of time or series of transactions, it seems plausible that they will interfere with efficient resource allocation.

This argument may be valid to the extent that administered prices do not respond instantaneously to changes in cost and demand conditions. One characteristic of administered prices is that an accumulation of pressures is usually required to precipitate a change. The significance of the influence of price administration on resource allocation hinges on the lag caused by the need for this accumulation. The lag, however, is probably modest in the face of significant changes in costs or demand. Failure of a company to raise

<sup>42</sup> Jules Backman, *op. cit.*, p. 228.

<sup>43</sup> Cabinet Committee on Price Stability for Economic Growth, *Second Interim Report*, April 2, 1960, pp. 10, 13–14.

<sup>44</sup> Temporary National Economic Committee, *Investigation of Concentration of Economic Power*, Senate Document No. 35, 77th Congress, 1st Session (Washington: U.S. Government Printing Office, 1941), p. 88.

<sup>45</sup> J. K. Galbraith, in U. S. Senate Subcommittee on Antitrust and Monopoly, *Administered Prices: Part 1, Opening Phase: Economists Views*, pp. 34–35.

<sup>46</sup> M. A. Adelman, "What Is 'Administered Pricing'?" in *Administered Pricing: Economic and Legal Issues* (New York: National Industrial Conference Board, 1958).

<sup>47</sup> A. D. Kaplan, Joel B. Dirham, and Robert F. Lanzillotti, *op. cit.*, p. 272.

<sup>48</sup> Jules Backman, *op. cit.*, pp. 208–209.

<sup>49</sup> E. G. Nourse and H. B. Drury, *Industrial Price Policies and Economic Progress* (Washington: The Brookings Institution, 1938), pp. 266–267.

<sup>50</sup> Alfred R. Oxenfeldt, *op. cit.*, p. 62.



prices in response to increased demand or increased costs would lead to lost profits, since the company would not then be maximizing profits. Failure to lower prices in response to lower costs invites entry of competitors into the business. Whatever effect administered prices may have on resource allocation, therefore, it is likely to be small relative to the influence of other factors.

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### STUDY MENTAL HEALTH IN NIGERIA

While turmoil in Africa fills the newspapers, five Cornell University social scientists have found one African nation working quietly to achieve its social and economic goals, and co-operating with Westerners to solve problems of importance to both.

The country is Nigeria, where a team of Americans and Nigerians is working on a project aimed at solving some of the human problems which arise when a nation undergoes rapid social change.

The Nigerian most concerned is Dr. T. Adeoye Lambo, head of the Aro Mental Hospital in Abeokuta, whose modern methods of mental therapy are setting an example to all of Africa. He and his staff are working with a group of Cornell social scientists on a study of mental health problems and social change in that newly independent country.

The Cornell scientists are Dr. Alexander H. Leighton and Dr. Dorothea C. Leighton, a husband-and-wife psychiatric team; Professor Charles C. Hughes and Research Associate Jane M. Hughes of sociology and anthropology, also husband and wife; and social psychologist David M. Macklin. Two additional psychiatrists helping with the field work are Dr. Charles Savage of California and Dr. Raymond Prince of Montreal.

Their pilot study of the effects of social change in Nigeria involves a three-fold program—psychiatric, sociological, and medical—which will all be incorporated into the final report on the prevalence of psychiatric conditions and associated medical and social factors in the area.

As for mental illness, which the Leightons feel is no more pressing in Nigeria than are physical health problems in spite of the rapid changes taking place, "the Nigerians are as mentally healthy as other people."

"Nigerians are no more apt to be mentally disturbed than Americans, for instance; and when they are disturbed, it is likely to be about similar problems and to result in similar symptoms," Mrs. Leighton says.

While their comments do not necessarily apply to the rest of Africa nor even to the rest of Nigeria, since they studied only one small portion of the country, the Leightons feel that Nigeria may have a bright future because of the willingness of the people to tackle such problems as mental health.



# An Analysis of Federal Reserve Management of the Discount Rate<sup>1</sup>

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## I

THIS PAPER REPRESENTS the extension of a pilot project on the same topic which was prepared during the spring of 1959. The objective of that undertaking was to discover whether or not a consistent pattern in the Federal Reserve System's management of discount rates could be detected and explained by means other than the purely verbal discourse usually employed by historians of monetary policy. The New York bank of the Federal Reserve System, whose policy decisions generally are taken as a reflection of nation-wide conditions, had altered discount rates for its district nineteen times from the close of the Second World War to the end of 1958. We resolved to examine those changes by correlating them with changes in several other variables on which they might depend.

Except for publications from the Federal Reserve System and for testimony from a few of its officials, there was little to guide us either with regard to the number of predetermined variables to be used or in their selection. We began with the following six predetermined variables: quarterly changes in the Bureau of the Census' estimates of unemployment, quarterly changes in the Federal Reserve's index of industrial production (unadjusted for seasonal variation), quarterly changes in the Federal Reserve's estimates of short and intermediate term consumer credit outstanding, quarterly changes in the Bureau of Labor Statistics' index of consumer prices, quarterly changes in the Dow-Jones averages of industrial stock prices, and quarterly changes in the Department of Commerce estimates of manufac-

<sup>1</sup> A preliminary version of this paper was presented to the Econometric Society on December 30, 1959. Although all responsibility for the errors which may remain in the paper is entirely our own, we are indebted to our colleagues James L. James, Wallace F. Lovejoy, Paul D. Minton, and I. James Pikel for their interest and cooperation in the construction and critique of the argument.

turers' new orders. Observations for the first four of these variables were computed from figures reported in the *Federal Reserve Bulletin*, while observations for the last two were computed from figures supplied by the *Survey of Current Business*.<sup>2</sup>

These variables were related to the nineteen changes in the discount rate at the New York bank by means of a linear least-squares multiple regression program available at the Southern Methodist University Computer Center. The results were given by the correlations indicated in Table I. The purpose of the pilot study had been achieved. Changes in the discount rate at the New York bank clearly were related at the times of change to all of the initial predetermined variables, save to changes in manufacturers' new orders. Taken together, changes in the predetermined variables explained almost 90 per cent of the squared deviations from the mean of changes in the discount rate, and these variables (or others to which they in turn were closely related) were persistent factors in guiding the policy makers who changed the rates.

## II

The success (in the purely statistical sense) of the pilot was encouraging, but a number of crucial questions remained unanswered. Most important was the fact that the pilot study had told us only that our predeter-

<sup>2</sup> All editions of these two publications from January, 1945, through November, 1959, were checked serially in order to determine changes as measured to the first available preliminary figures in each series. Hence, the changes used are those as viewed at the times of the corresponding changes in the discount rate. All observations for changes in unemployment, consumer credit, industrial stock prices, and manufacturers' new orders were obtained in this way without loss of internal consistency. There were two extensive revisions of unemployment estimates [see "Labor Force, Employment, and Unemployment," *Federal Reserve Bulletin* XLIII (March, 1957), p. 328, n. 2, and same title in *Federal Reserve Bulletin* XL (March, 1954), p. 302, n. 2] and at least one major overhaul of consumer credit figures [see "Revision of Consumer Credit Statistics," *Federal Reserve Bulletin* XXXIX (April, 1953), pp. 336-354]. However, the evidence available suggests that the major effect of these revisions was to adjust the *levels* of the series involved. Under such circumstances first differences would remain constant throughout the series except at the points of splice, none of which fell within the periods covered by the pilot regression. Revisions both of the index of industrial production [see "Revised Federal Reserve Monthly Index of Industrial Production," *Federal Reserve Bulletin* XXXIX (December, 1953), pp. 1247-1328] and of the consumers' price index [see "Business Indexes," *Federal Reserve Bulletin* XXXIX (March, 1953), p. 279, n. 3] did involve considerable shifts in the magnitude of the index numbers reported. Hence, first differences were affected in those cases, and it was necessary to employ the revised series rather than the current data in order to maintain the internal consistency of the variable values. The conversion of previous figures to the revised index of industrial production was reported by the December, 1953, issue of the *Federal Reserve Bulletin*. We computed back figures for the consumers' price index, using  $167.2 \text{ (old series)} = 100.0 \text{ (new series)}$ .

TABLE I

Correlation Results of Pilot Regression: Changes in the Discount Rate (New York) on Six Predetermined Variables, Nineteen Observations\*

Type of Correlation	Symbol	Value	Significance†
Multiple	$R^2$	.89610	at .001
	$R$	.95	at .001
Simple	$r_{11}$	— .64365	at .0005
	$r_{12}$	.60017	at .0005
	$r_{13}$	.59827	at .0005
	$r_{14}$	.28880	none
	$r_{15}$	.35297	none
	$r_{16}$	.34277	none
Partial	$\hat{r}_{11}$	— .66674	at .005
	$\hat{r}_{12}$	.56382	at .025
	$\hat{r}_{13}$	.54430	at .025
	$\hat{r}_{14}$	.81862	at .0005
	$\hat{r}_{15}$	.60496	at .01
	$\hat{r}_{16}$	.21186	none

\* See text for identification of predetermined variables.

† Using an F-distribution to test the significance of the coefficient of multiple determination and one tail of a t-distribution to test other significances. The null hypothesis has been accepted for any probability level exceeding 5 per cent.

mined variables were correlated with changes in the discount rate *at the times of change*—and there was a distinct possibility that some or all of these relationships would be completely submerged if similar changes in the predetermined variables had occurred at times when there were no concomitant changes in the discount rate.

In the second place there were a number of questions regarding both the number and the selection of the variables employed in the pilot study. Despite the leadership usually attributed to the Federal Reserve Bank of New York, it was suggested that the willingness of the Board of Governors to approve changes in discount rates would be indicated best by using the dates and amounts of change for the first bank to move. Within the period from the end of World War II through October, 1959, there were three occasions on which changes in the discount rate at the New York bank had been preceded by changes at other banks of the System. For that reason we accepted this suggestion for the ensuing calculations.

In addition it was argued that any correlation attempt to explain movements in the discount rate would require a number of predetermined variables at once larger and more varied in nature than those which we had included in the pilot study. Perhaps changes in the discount rate were related not only to the changes recorded in a set of predetermined variables but also to their levels. Moreover, it would be prudent to add some financial variables

to the regression. We incorporated both of these suggestions, but even with these revisions some of our colleagues both at Southern Methodist and at the Federal Reserve Bank of Dallas expressed doubt that we could isolate any set of critical values over time. They argued that the human judgment of policy makers at times would assign prime importance to one set of factors and at other times would disregard them entirely for different considerations. In statistical terms this statement asserted that we would be unable to prove the significance (presumably with probability equal to 5 per cent or less) of any of the partial correlation coefficients obtained and that the multiple regression as a whole would not significantly reduce deviations from the mean of all changes in discount rates. We shall see that this problem does exist but that it is far from being as severe as was feared at first.<sup>3</sup>

A final problem arose from the fact that manipulation of the discount rate was only one of several alternative instruments of monetary policy available to authorities of the Federal Reserve System. Even if our predetermined variables were an accurate reflection of the forces influencing monetary actions by System officials, it by no means followed that their policy would be expressed through the medium of the discount rate. We pretended no attempt to evaluate the comparative merits of discount-rate action against open-market operations, changes in reserve requirements, manipulation of margin requirements, or even moral suasion. We had no intention of either praising or condemning Federal Reserve officials for selecting or failing to select this or that instrument of monetary policy on such and such a date. Our main concern was that changes in the discount rate might be so submerged among the welter of other policy instruments as to have no significant correlation with any set of predetermined variables. Preliminary evidence suggested that this threat would prove especially evident during the period of pegged prices on government securities, and one of our critics bluntly asserted that it would make no sense at all to run our regressions through any period prior to 1953.

### III

Armed with a pessimism born of the observations just set forth, we nevertheless resolved to test for the relationship between changes in the discount rate and movements in a set of predetermined variables over a continuous time period. For this purpose we selected the following twenty-one variables:

$x_1$ , changes in the discount rate as indicated by the first bank to move,

<sup>3</sup> At this point our original manuscript discussed the problems involved in lagging the data and in employing the linear least-squares regression technique. Persons interested in these aspects of the study may obtain our comments by writing to either of the authors.

- $x_2$ , spliced unemployment estimates of the Bureau of the Census with a one-month information lag,
- $x_3$ , changes in  $x_2$ , using a one-month information lag and a three-month change lag,
- $x_4$ , preliminary estimates of the Federal Reserve's index of industrial production, unadjusted for seasonal variation, with a one-month information lag,
- $x_5$ , changes in  $x_4$  using a one-month information lag and a one-month change lag,
- $x_6$ , spliced Federal Reserve estimates of short and intermediate term consumer credit outstanding with a two-month information lag,
- $x_7$ , changes in  $x_6$  using a two-month information lag and a three-month change lag,
- $x_8$ , a splice of Standard and Poor's and the Securities and Exchange Commission's indexes of common stock prices, using a one-month information lag,
- $x_9$ , changes in  $x_8$  using a one-month information lag and a three-month change lag,
- $x_{10}$ , the Federal Reserve's revised estimates of the department store stocks index with a two-month information lag,
- $x_{11}$ , changes in  $x_{10}$  using a two-month information lag and a three-month change lag,
- $x_{12}$ , interest rates on new issues of three-month treasury bills with no information lag,
- $x_{13}$ , changes in  $x_{12}$  using no information lag and a three-month change lag,
- $x_{14}$ , the Bureau of Labor Statistics' revised index of consumer prices with a two-month information lag,
- $x_{15}$ , changes in  $x_{14}$  with a two-month information lag and a three-month change lag,
- $x_{16}$ , the Bureau of Labor Statistics' revised index of wholesale prices with a one-month information lag,
- $x_{17}$ , the changes in  $x_{16}$  using a one-month information lag and a two-month change lag,
- $x_{18}$ , the Federal Reserve's revised estimates of the department store sales index with a two-month information lag,
- $x_{19}$ , changes in  $x_{18}$  using a two-month information lag and a three-month change lag,
- $x_{20}$ , the Federal Reserve's monthly averages of daily figures of free reserves of member banks (excess reserves minus borrowings) using a two-month information lag,

$x_{21}$ , changes in  $x_{20}$  using a two-month information lag and a one-month change lag.

We followed the policy of trying as much as possible to duplicate these series as they appeared to officials of the Federal Reserve System during each month in question. The regression covered 149 months of observations, beginning with June, 1947 (the earliest month for which all twenty-one series were available under the limitations imposed by the lags), and extending forward through October, 1959. Results were given by the correlations shown in Table II. As we had suspected, the introduction of a continuous regression through time, coupled with all of the problems involved in processing the data, had produced results which appeared vastly inferior to those developed in the pilot study. Less than one-third of squared deviations from the mean of all changes in the discount rate had been explained by introduction of the regression equation.

And yet these results were remarkably good, for what we needed to test was *not* the amount of explanation provided by the regression equation alone but rather the amount of explanation provided by a zone above and below the regression plane. We knew that actual changes in the discount rate were discontinuous, occurring only by quarters of a per cent or by some multiple thereof. From this knowledge it followed that any computed values for changes in the discount rate which lay within .125 per cent of the actual values recorded were, for all practical purposes, equivalent to those values. Only if this distance exceeded .125 per cent could it be said that the regression equation had failed to explain the changes observed.

This point may be made more clearly with references to actual examples from the back solution of the regression. For the first month (June, 1947) the regression equation predicts a fall in the discount rate of .041 per cent. But Federal Reserve officials would never make so small a change in the rate, and obviously a change of zero is far closer to the value indicated than a drop of .25 per cent. Hence, this deviation should be disregarded altogether, for it arises simply because values predicted by the regression equation are continuous whereas the actual changes are not. Only when the deviation exceeds .125 per cent would some value other than the one recorded have been closer to the regression. This condition occurs for January, 1948, where the value predicted by the regression equation is closer to zero than to the rise of .25 per cent which actually took place.

This knowledge requires an amendment to the procedure ordinarily used in computing a coefficient of multiple determination. This coefficient usually is computed by dividing the sum of squared deviations from the mean into the sum of squared deviations explained by the regression, and it was this procedure which gave us the values for  $R^2$  and  $R$  reported in Table II. However, our purposes require a modified coefficient of multiple determination



TABLE II

Correlation Results of Continuous Regression: Changes in Discount Rate (First Bank) on Twenty Predetermined Variables, 149 Observations\*

Type of Correlation	Symbol	Value	Significance†
Multiple	$R^2$	.31970	at .01
	$R$	.56	at .01
Simple	$r_{12}$	— .04582	none
	$r_{18}$	— .22369	at .05
	$r_{14}$	.09863	none
	$r_{18}$	— .03865	none
	$r_{18}$	.06964	none
	$r_{17}$	.13299	at .03
	$r_{18}$	.18052	at .05
	$r_{19}$	.26591	at .05
	$r_{1, 20}$	.06076	none
	$r_{1, 11}$	.22568	at .05
	$r_{1, 12}$	.19630	at .05
	$r_{1, 18}$	.46717	at .05
	$r_{1, 14}$	.04966	none
	$r_{1, 15}$	— .00722	none
	$r_{1, 16}$	.03967	none
	$r_{1, 17}$	.06931	none
	$r_{1, 18}$	.13917	at .05
	$r_{1, 19}$	.20127	at .05
	$r_{1, 20}$	— .08720	none
	$r_{1, 21}$	— .11463	none
Partial	$\hat{r}_{12}$	.05269	none
	$\hat{r}_{18}$	— .00127	none
	$\hat{r}_{14}$	— .03186	none
	$\hat{r}_{15}$	— .17684	at .05
	$\hat{r}_{16}$	— .13876	none
	$\hat{r}_{17}$	.00362	none
	$\hat{r}_{18}$	.20556	at .0125
	$\hat{r}_{19}$	.02096	none
	$\hat{r}_{1, 10}$	— .00066	none
	$\hat{r}_{1, 11}$	.08791	none
	$\hat{r}_{1, 12}$	.11478	none
	$\hat{r}_{1, 18}$	.16292	at .05
	$\hat{r}_{1, 14}$	.13699	none
	$\hat{r}_{1, 15}$	.01577	none
	$\hat{r}_{1, 16}$	— .08165	none
	$\hat{r}_{1, 17}$	.07825	none
	$\hat{r}_{1, 18}$	— .03548	none
	$\hat{r}_{1, 19}$	.09166	none
	$\hat{r}_{1, 20}$	.01523	none
	$\hat{r}_{1, 21}$	.01505	none

\* See text for identification of predetermined variables.

† Using an F-distribution to test the significance of the coefficient of multiple determination and one tail of a t-distribution to test other significances.

computed by dividing the sum of squared deviations from the mean *area* (defined by including a deviation of  $\frac{1}{8}$  per cent on either side of the mean) into the sum of squared deviations explained by the regression *area* (also defined by including a deviation of  $\frac{1}{8}$  per cent above and below the regression). This computation results in a value of  $R^2 = .66361$  with a value of  $R = .81$ . Hence, our analysis really explains not one-third but approximately two-thirds of all meaningful squared deviations from the mean zone of changes in the discount rate. Among the 149 observations made there are only 30 cases in which actual changes in the discount rate deviate from the predicted changes by more than one-eighth of 1 per cent. Indeed, the results are even better than this, for at least nine of the deviant cases can be traced to movements in the discount rate which compensated for a lack of movement in the previous month! Statistically speaking, a deviation on one side of the regression area was immediately offset by an orderly, compensating deviation to the other side in the following month.

At this point we were convinced that a consistent policy toward manipulation of the discount rate was evident from the results of our experiment. Nevertheless, we were curious to know whether or not there was any statistical evidence to support the view that Federal Reserve officials had placed increasing reliance on manipulation of the discount rate in the more recent years of the series. It was clear that the rate had been changed seventeen times since the close of 1952 and only three times in the period before. Was this observation evidence of a shift in monetary policy or merely the result of more violent movements in general economic conditions? To investigate this question we split our regression into two sub-periods—one running over sixty-seven observations from June, 1947, through December, 1952, and the other running over eighty-two observations from January, 1953, through October, 1959. The results of these re-runs were coefficients of multiple determination of .27462 for the former period and of .39203 for the latter period. (These are unmodified coefficients, comparable to the one presented for the over-all regression in Table II.) In view of the number of degrees of freedom sacrificed by dividing the regression we did not test for the statistical significance between these coefficients. The difference recorded was sufficient to bias our own views toward the thesis that the Federal Reserve System had made increasing use of the discount rate as a tool of monetary policy, and we would not have been impressed had the difference failed to be significant at the 5 per cent level of probability.

Returning to the over-all regression we noted that only nine of the twenty coefficients of simple correlation were statistically significant at a probability of 5 per cent or less. In order of significance these relationships involved changes in treasury bill rates, changes in common stock prices, changes in department store stocks, changes in unemployment, changes in department

store sales, levels of treasury bill rates, levels of common stock prices, levels of department store sales, and changes in consumer credit. Changes in free reserves produced a relationship which was near significance at the 5 per cent level of probability. In each case one could say that these series (or others to which they in turn were closely related) appeared to bear important influences on changes in the rediscount rate. However, this statement would be correct only so long as these factors were considered separately, not in conjunction with each other. With all values of other predetermined variables held constant we were surprised to find that only two of these variables—levels of common stock prices and changes in treasury bill rates—remained significantly correlated with changes in the rediscount rate. To these two series was added the significant influence of changes in industrial production (a variable which had proved nonsignificant in simple correlation), while partial correlation coefficients involving levels of consumer credit, levels of consumer prices, and levels of treasury bill rates were near significance.

These were frustrating results, for any coefficient of partial correlation can be altered drastically, gaining or losing significance, with the addition to or subtraction from a regression of apparently unrelated variables. Since we did not (and, indeed, could not) include all variables which influenced the decisions of Federal Reserve officials, we could not determine securely which variables were the most important in provoking changes of the discount rate. Without the complete population of series we could give only sketchy meaning to the concept of "other things being equal" and therefore to the relative importances of the partial correlation coefficients observed.

The only way to attack this problem was to turn to a process of iteration, first testing all conceivable predetermined variables for their simple correlation with changes in the discount rate and selecting the most significant of these relationships. Then, each of the remaining variables would have to be added separately to the previous regression and tested in each case to determine whether the partial correlation coefficient of the new variable had attained significance without entailing a loss of significance for the previous relationship. Again the variable providing the most improvement in the regression would be selected, and the process would be repeated for progressively higher order correlations until no variable could be found which would add to the significance of the regression without impairing the contributions made by the variables selected earlier.

To say the least, this was a large order, and we considered it a matter which lay beyond the borders of our present report. Nevertheless, we made some initial efforts in this direction. We ran the regression anew, this time employing only the nine predetermined variables which had exhibited significant coefficients of simple correlation. Yet only one of the partial correlations resulting from this experiment was significant at the 5 per cent level

of probability. This was the relationship between changes in the discount rate and changes in treasury bill rates. The only other relationship which even approached significance involved changes in common stock prices. We did the regression over with only these two predetermined variables. Again the partial correlation involving treasury bill rates was significant, while the effects of adding changes in common stock prices just failed of significance. (At this point one should note that the partial correlation involving changes in common stock prices was extremely insignificant in the regression employing all twenty of our predetermined variables—see Table II.)

These studies tended to confirm the prime importance of prior changes in treasury bill rates (or of some other series of which these rates were symptomatic) as a factor affecting changes in the discount rate. Indeed, this was the only relationship to remain uniformly significant in all of the regressions we employed. As for the importance of other influences, a resolution of the contradictions now evident in our results must await the efforts of further research.

#### IV

Despite numerous pitfalls in the nature and treatment of the data involved, we were able to develop a multiple regression analysis which explained approximately two-thirds of the squared deviations from the mean zone of all changes in the discount rate taking place from June, 1947, through October, 1959. The probability that this relationship might have been produced by chance forces was less than one in one hundred, and we viewed these results as strong evidence of a consistent policy underlying discount-rate changes. However, the correlations were better for the period 1953–1959 and worse for the period before, a fact which tended to support the view that Federal Reserve authorities have placed increasing emphasis in recent years on manipulation of the discount rate as an instrument of monetary policy. Nevertheless, the System has used the rate conservatively, tending to follow the market rather than to lead it. Three findings corroborate this view. In the first place the lagged regression employed in this study would not have proved so successful had this not been the case. In the second place there have been at least five movements in the rediscount rate since the middle of 1955 which clearly reflected an effort to adjust for past developments as well as for current conditions. And finally there is the salient relationship between changes in the discount rate and conditions which develop over the previous months in the short-term money market (as evidenced by the movements in treasury bill rates). Taken together, these findings make it difficult either to praise Federal Reserve use of the discount rate for "fostering a farsighted contra-cyclical and growth policy" or to condemn it as "an intervention in the normal processes of the free market."

# House Opposition to Foreign Aid Legislation

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IN A STUDY OF THE REACTION of the House of Representatives to foreign aid legislation, an analysis of voting records from 1950 through 1955 was made in an effort to discover consistent patterns of opposition.<sup>1</sup>

In the period examined, a majority of the state delegations in the House from 32 per cent of the states voted against a foreign aid bill on at least one occasion. Four states—Mississippi, Nebraska, South Dakota, and Wisconsin—had records of consistent opposition but they do not represent a geographic block of opposition. However an indication of such a geographic block can be found in the midwest by considering the following table of states that opposed a foreign aid bill on at least one occasion or came within one vote of having a majority opposed.

A majority of the delegation from these eleven midwestern states voted against the foreign aid bills on 58.18 per cent of the votes taken during the five years studied. The consistency of this pattern is even more apparent when one realizes that in 82 per cent of the 55 votes taken on foreign aid, these states either opposed or came within one vote of having a majority of the state delegation opposed to foreign aid.

The total number of districts in consistent opposition were compared with a list of 263 Congressional Districts where 5 per cent or more of the population was employed in agriculture, according to the 1954 Census of Agriculture. Of the 86 members of the House who consistently opposed foreign aid, 75 represented one of these agricultural districts. Of these Congressmen 26 represented districts which ranked among the top 50 in terms of the farm products sold in 1954.

<sup>1</sup> The final conference report between the House and the Senate bill were utilized in this analysis, since both houses voted on as many as five separate versions of the foreign aid bill before arriving at a compromise considered satisfactory to a majority of both houses. The period from 1950 to 1955 was selected since it offered an opportunity to study foreign aid opposition under two presidents representing different political parties, during and after the Korean War. All voting records were taken from the *Congressional Quarterly Almanac*, Vols. VI, VII, VIII, IX, X, Published by Congressional News Features, 1156 Nineteenth Street N.W., Washington 6, D.C.

## Midwestern Opposition in the House of Representatives to Foreign Aid Legislation (1950-1954)

State	1950	1951	1952	1953	1954
Illinois	X	X	X		
Indiana		Marginal	Marginal	Marginal	
Iowa	Marginal	X	X	X	X
Kansas	X	X	Marginal	Marginal	X
Michigan	X	X	Marginal	Marginal	X
Minnesota	Marginal	Marginal	Marginal		Marginal
Nebraska	X	X	X	X	X
North Dakota		X	X	X	X
Ohio			Marginal		
South Dakota	X	X	X	X	X
Wisconsin	X	X	X	X	X

X—Opposed by majority of state delegation.

Marginal—One less than half of state delegation opposed.

In terms of party affiliation it was found that 78 per cent (or 67 Representatives) of those members of the House in consistent opposition to foreign aid legislation were members of the Republican party. Not one of these Republicans cast a vote in favor of a foreign aid bill during the five years studied.

Of those 19 Democratic Representatives in consistent opposition, all but 10 per cent were from southern states; Idaho and Ohio were the only non-southern states represented by Democrats in consistent opposition. Party consistency is also apparent in the midwest. Here it was found that in the eleven midwestern states a total of 214 "no" votes were cast during the five years studied. Of these, all but three were cast by members of the Republican party.

It is apparent that in terms of foreign aid legislation there is a strong correlation between voting behaviour, party affiliation, and ruralism. V. O. Key's suggestion that "Republican isolationism may not be so much a product of sectionalism as it is a reflection of ruralism" is clearly indicated in terms of foreign aid legislation.<sup>2</sup> It is also apparent that many of the rural districts happen to be in the midwest. The association between constituency characteristics and the voting records of Representatives indicated by Julius Turner are clearly discernible in foreign aid legislation.<sup>3</sup>

There is a clear indication that members of the Republican party from

<sup>2</sup> V. O. Key, Jr., *Politics, Parties and Pressure Groups* (New York: Thomas Y. Crowell Company, 1958), pp. 734-735.

<sup>3</sup> Julius Turner, *Party and Constituency: Pressures on Congress* (Baltimore: Johns Hopkins Press, 1951).



rural districts present a rather consistent pattern of opposition to foreign aid. In the midwest certain Congressional Districts can be expected to vote against foreign aid regardless of party affiliation. Even on issues of national and world importance, localism and the particular demands of certain constituencies apparently require a vote against foreign aid.

Although it is difficult to discriminate between local and national issues, it is apparent that the average Congressman will yield to local sympathy if there is strong local feeling or pressure. Of course it is also possible that a vote for a foreign aid bill may depend on whether or not the friends or foes of the bill had supported an individual Congressman on some matter affecting his personal and local political interests.

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#### LATIN AMERICAN STUDY GRANTS OFFERED BY FORD

The Ford Foundation will award fellowships for graduate training related to Latin America in the social sciences, law, education, and the humanities for the 1962-1963 academic year. Applications will be accepted until November 1, 1961.

The area covered includes Mexico, the Caribbean, Central America, and South America.

These fellowships are similar to those offered by the Foundation for study relating to Asia and the Near East, the Soviet Union and Eastern Europe, and Africa. They are part of the Foundation's program to help the United States acquire the knowledge and understanding of foreign areas necessary to meet its increased international responsibilities.

The fellowships are intended to encourage the combination of multi-disciplinary area training, including spoken and written language, and training in a major discipline.

Application forms and further information may be obtained from The Secretary, Ford Foundation, Foreign Area Training Fellowships, 477 Madison Avenue (15th Floor), New York 22, N.Y.

The results of the competition will be announced around March 15, 1962.

# The Judicial System in the U.S.S.R.

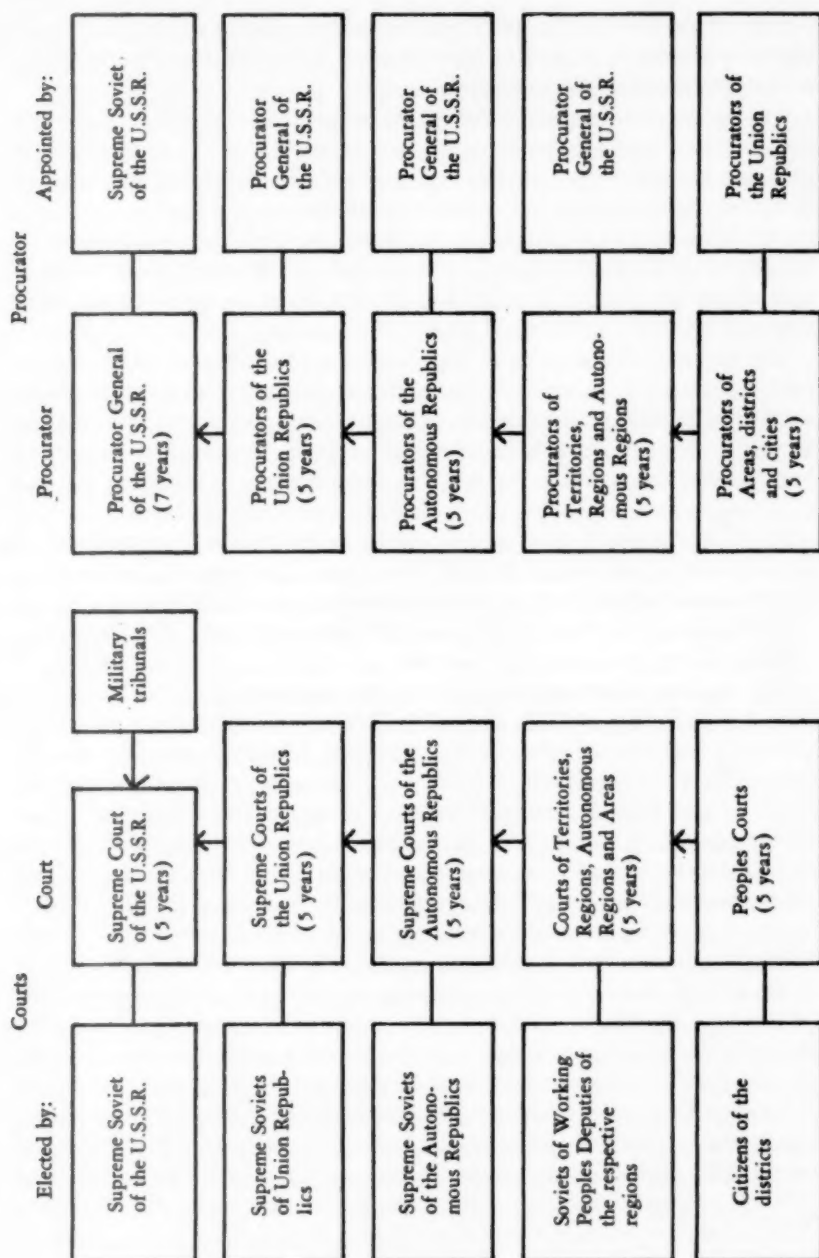
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THE LEGAL JUDICIAL APPARATUS provided by the Constitution of the U.S.S.R. consists of two hierarchical arrangements, the courts and the Procuracy, the main features of which are outlined in the accompanying diagram. All Soviet courts are supervised by the Supreme Court of the U.S.S.R. and all Procurators are subordinate to the Procurator General of the U.S.S.R. Since the laws of the U.S.S.R. are applicable in every Union Republic (Constitution of the U.S.S.R., Article 19), this type of centralized control has obvious advantages.

The lowest courts in the hierarchy, the Peoples' Courts, are like most Soviet courts, collegial. The bench consists of one judge and two "peoples' assessors." The judges, elected for five years by the electorate of the area of the court jurisdiction, until recently typically lacked legal training and experience. At present the qualifications of judges are being upgraded. From fifty to seventy-five "peoples' assessors" are elected for two-year terms from among citizens eligible to vote. Short courses have been established to increase the legal knowledge of the assessors. The assessors act as co-judges and not as jurors since the jury system is not used in the U.S.S.R. Although the assessors, have, while on duty, the same rights and functions as the judge, it is customary for them to defer to the more experienced professional judge.<sup>1</sup> If the full time judge were not available, an assessor would assume his role. Each assessor is permitted to function in court no more than ten days per year, during which time he is paid his regular salary. The assessors are expected to represent the community with their common-sense approach, and to foster the impression of mass participation in the administration of justice. Both judges and assessors are subject to recall by their electorate.

Exclusively courts of original jurisdiction, the Peoples' Courts deal with the majority of civil cases such as disputes between enterprises and between individuals with regard to inheritance, alimony and property. Less serious criminal cases such as those involving theft, embezzlement, tax evasion, electoral-law violations and failure to meet state obligations are within the juris-

<sup>1</sup> See John N. Hazard, *The Soviet System of Government* (Chicago: The University of Chicago Press, 1957), p. 160.



diction of the Peoples' Courts. However, crimes which carry the death penalty or sentences of more than ten years, and those with important political implications are handled in superior courts.

The intermediate courts, those of the autonomous republics, territories, autonomous regions and areas each have a collegial bench consisting of a president, several vice-presidents, ordinary judges and peoples' assessors, all of whom are elected by the appropriate soviets for five-year terms. These courts have original jurisdiction in important civil cases and relatively important criminal cases and in addition supervise the work of and hear appeals from the Peoples' Courts. Appeals are heard by three judges while original cases are heard by a judge and two assessors.

The Supreme Court of the Union Republic, the highest court in the republic, has a collegial bench similar to that of the intermediate courts. It has original jurisdiction in both civil and criminal cases of extreme importance, including those of great political significance. It supervises all lower and intermediate courts within the republic, hears appeals, reverses verdicts and even removes cases from the lower courts to assume jurisdiction itself.

Permanently established military courts, under the direct supervision of the Supreme Court of the U.S.S.R., have jurisdiction over all military personnel accused of committing any crime whatsoever, all espionage cases, and in territories under martial law, over all persons accused of endangering public order and the security of the state

The Supreme Court of the U.S.S.R., the nation's highest court, has had since 1957 a collegial bench consisting of twenty-seven professional judges including a chairman, two vice-chairmen, the fifteen chairmen of the Supreme Courts of the Union Republics (a concession to federalism and the rights of the various nationalities), and twenty peoples' assessors, all of whom are elected for five-year terms. The judges are divided into collegia specializing in military, civil or criminal cases. This court assumes original jurisdiction only in cases of exceptional military, legal or political significance, as for example when a major political leader is involved. Only the Procurator General and the Chairman of the Plenum of the Supreme Court of the U.S.S.R. have the right to present cases for appeal. At plenary sessions of the Supreme Court, held at least four times a year and attended by the Procurator General and sometimes by the Minister of Justice of the U.S.S.R., the decisions of the separate collegia of the U.S.S.R. Supreme Court and of the Republican Supreme Courts are reviewed and protests may be heard. Directives and general principles are issued for the guidance of the lower courts. The Supreme Court, which has never been granted the power of judicial review of legislation, cannot rule on the constitutionality of laws or decrees issued by the Supreme Soviet, its Presidium or the Council of Minis-

ters. The Communist Party, in control of all branches of the government, would not tolerate interference in its activities by the judiciary.

Although the Constitution specifies that Soviet judges are independent and subject only to the law (Article 112), no court and no judge in the U.S.S.R. can be apolitical. Courts are expected to further the cause of communism and the judges must be "builders of socialism." Judges may be independent of local interests when these are in conflict with the law, but their actions must always concur with the policy of the Communist Party.

The Procurator General of the U.S.S.R., appointed by the Supreme Soviet of the U.S.S.R. for a period of seven years, is in no way legally responsible to the Council of Ministers or the Supreme Court, but only to the Supreme Soviet and its Presidium. In actuality, he is responsible to the Party leadership. The office of the Procurator forms a single federal apparatus with the Procurator General at its head and all other organs of the Procurator's office subordinate to him (Article 117). The Procurator General appoints the Procurators of the Republics, Territories, Regions, Autonomous Regions and Autonomous Republics while area, city and district Procurators are appointed by the Procurators of the Republics, subject to the approval of the Procurator General (Articles 115, 116). These Procurators are appointed for five-year terms. The Procurator's office functions in complete independence from local organs including local Party organizations. For example, a Union Republic is not consulted about the choice of the Procurator for the Republic.

In the Procurator General is vested "supreme supervisory power to ensure strict observance of the law by all ministries and institutions subordinate to them as well as by officials and citizens of the U.S.S.R." (Article 113). Included is supervision of economic as well as judicial organs. The Procuracy has the responsibility of achieving uniformity in law enforcement and adherence to Soviet Statutes by both court and administrative organs. As state prosecutor, it has to be on the alert for all criminal activity. The Procuracy is aided by a large group of "activists," including approximately three million citizens,<sup>2</sup> who inform the appropriate authorities when criminal activity is suspected. The "activists" provide an opportunity for mass participation, supply information which might not otherwise be obtained, and permit the Procuracy to know about and deal with the complaints of ordinary citizens. The Procurator may order the arrest of any person suspected of criminal activities. All arrests, including those made by the secret police require the approval of the Procurator, but it is unlikely that this requirement is adhered to regularly. Although technically the Procurator General is supposed to exercise some supervision over the secret police, since both he and the secret po-

<sup>2</sup> *Voprosy ugolovnogo processa v praktike Verkhovnogo suda* (Problems of Criminal Process in the Practice of the Supreme Court of the U.S.S.R.), (Iurizdat, 1948), p. 45.

lice are subservient to the Communist Party, he has not required that the secret police adhere strictly to the Soviet statutes.

Most criminal actions are initiated by a Procurator, who acts as the prosecuting attorney. Even civil action may be initiated without the consent of the involved parties, and a Procurator may intervene in a civil action if it seems that state interests are involved or if court decisions seem too lenient or too severe. Higher Procurators may intervene in the activities of lower Procurators. Procurators, in their role of ensuring uniform law enforcement, may even act as counsel for the defendant who might not be able to obtain adequate defense counsel since lawyers, like all other U.S.S.R. citizens, must adhere to the Party line.

The Constitution of the U.S.S.R. makes the following provisions for the protection of the citizens:

1. Judicial proceedings are conducted in the language of the Union Republic, Autonomous Republic or Autonomous Region, persons not knowing this language being guaranteed the opportunity of fully acquainting themselves with the material of the case through an interpreter and likewise the right to use their own language in court (Article 110).
2. In all Courts of the U.S.S.R. cases are heard in public unless otherwise provided for by law, and the accused is guaranteed the right to defense (Article 111).
3. Judges are independent and subject only to the law (Article 112).
4. Citizens of the U.S.S.R. are guaranteed inviolability of the person. No person may be placed under arrest except by decision of a court or with the sanction of a procurator (Article 127).
5. The inviolability of homes of citizens and the privacy of correspondence are protected by law (Article 128).

These provisions, as far as they go and in so far as they are upheld, seem quite reasonable. Available evidence indicates that the language of the territory *is* used in court, and defendants *are* permitted to use interpreters when necessary. Most cases *are* heard in public but according to the "unless otherwise provided by law" clause, cases of extreme political, military or legal importance may be held *in camera*. Counsel *is* available to the defendant during the actual trial, but during the more important, private, pre-trial investigation, defense counsel is not allowed. Until 1956 defendants accused of certain counter-revolutionary crimes were denied counsel during the trial, and were not even informed of the indictment until twenty-four hours before the trial. The lack of counsel and time to prepare a defense did not, however, affect the outcome of the trial significantly since in such cases it was customary to consider the defendant guilty before the trial began. On occasion, as



for example in the case of Beria, such trials have been conducted in the absence of both the defendant and the defense attorney, and the defendant has been denied the right of appeal. There is evidence, however, of some improvement since 1956. The defendant now has the right to know the charges and to present a defense. The present leaders have expressed distaste for the harsh interrogation and physical abuse used during private pre-trial investigation of political crimes, which were followed by public confessions of crimes which the defendant could not have committed.<sup>3</sup>

Although according to the 1936 Constitution no arrest can be made without the permission of a Procurator or by court decision, Soviet jurists, as late as 1958, have argued for the need to enforce this rule.<sup>4</sup> On the mere suspicion that a crime has been committed or contemplated, an order authorizing arrest and subsequent detention for months can be issued. In spite of the guaranteed inviolability of homes and correspondence, the militia, without judicial warrant, have the right to seize documents and letters, and to enter private dwellings in pursuit of suspects or escapees. On orders from the Procurator's office, the post office and telegraphic office will deliver the private communications of a suspect to an investigator. Such violations of constitutionally guaranteed rights are relatively uncommon in civil and ordinary criminal cases, and even in political cases the number and seriousness of such infractions has decreased in the post-Stalin era.

Glaring omissions in constitutionally guaranteed rights must be considered in evaluating Soviet justice. No provisions are made for a writ of *habeas corpus*. By law, a person may be held up to nine months *incommunicado* before trial.<sup>5</sup> During the preliminary investigation which may take weeks or months the defendant is imprisoned and is denied the right of counsel. Higher authorities or the Party may interfere for their own reasons, but private individuals have no techniques to force the authorities to bring the accused to court for a legal decision.

No Soviet legal statute proclaims the presumption of innocence until guilt is proven and in 1958, the Supreme Soviet refused to sanction the principle. Although the presumption may be utilized in civil and ordinary criminal cases, in most political cases the defendant is presumed guilty prior to his trial and arrest is tantamount to conviction. In fact, many political trials are not designed to investigate the guilt or innocence of the defendant but

<sup>3</sup> For a discussion of psychological mechanisms involved in the public confessions of crimes which were not committed see Karel Hulicka and Irene Hulicka, "The Case of Slansky of Czechoslovakia," *The Psychological Record*, X (July, 1960).

<sup>4</sup> *Byulleten Verkhovnogo suda S.S.S.R.* (Bulletin of the Supreme Court of the U.S.S.R.), No. 4, 1958, pp. 1-20.

<sup>5</sup> "The New 'Justice' in the U.S.S.R.," *Notes, Soviet Affairs*, No. 239, March 28, 1960, p. 6.

rather to provide warning to potential deviationists, to convince the public that the Party is cognizant of the activities of the citizens, to hold a few officials responsible for economic failure, to remove the rivals of a Party leader, and of course, to punish those actually guilty of treason, espionage and other crimes.

The recently abolished rule of analogy, a particularly reprehensible feature of Soviet law, deserves mention. Not only could Soviet citizens be imprisoned for not adhering to laws passed by the Supreme Soviet, to orders issued by the Council of Ministers or by other non-governmental agencies such as the Party, such orders being subject to erratic changes, he could, in addition, be punished for doing something related to one of the modifiable orders. Thus a citizen could be condemned by a Soviet judge acting on the basis of his "socialist conscience" for doing something which was not legally prohibited. Some offenses are defined with extreme vagueness, and until recently citizens could be imprisoned on "suspicion of espionage" or because they represented "socially dangerous elements." Political crimes include—in addition to treason, espionage, armed revolt, sabotage, and the like—any act which "leads to a disturbance of administration or of the national economy,"<sup>6</sup> economic blunders, falsification of production figures, violations of labor discipline, damage to socialist property and innumerable other acts which in most nations would not be considered politically significant.

Although in 1958 a statute of limitations of sentences was effected, the severity of sentences still may fluctuate with the Party line. The Party which has no constitutional right to instruct judges may issue orders that certain crimes are to be more severely punished at certain times. Judges would place themselves in grave personal jeopardy by ignoring such directives.

Typically, court action is initiated by a written complaint for civil cases and by an arrest for political and criminal cases. The preliminary investigation, allegedly an impartial hearing conducted under the auspices of the Procurator's office, is the most important phase of the investigation. Equal weight is supposed to be given to evidence provided by the defendant and his witnesses, the police and the Procurator. Records of the investigation are prepared for the use of the Procurator in issuing an indictment and for the judge. Although unbiased investigations may be typical in civil and ordinary criminal cases, in political cases unfair techniques have, on occasion, been used to expedite confessions. During very recent years, there is evidence of some improvement.

Court sessions, particularly those of the Peoples' Courts, tend to be informal and the educational role of the court seems to be as important as the

<sup>6</sup> Criminal Code of the R.S.F.S.R., Article 59.

judicial one. The trial may be held in a factory or a kolkhoz so that the appropriate citizens may be instructed in the nature and consequences of the crime. Speeches expressing extreme distaste for the crime and glorifying the regime are not uncommon. The Soviet Judge has responsibility for the political and legal education of the masses and uses court sessions as a classroom. Since the political reliability of judges must be guaranteed all judges in the higher courts and approximately three quarters of the judges in the lower courts are Party members. Non-Party judges have been carefully evaluated by the Party before their names were given to the public for election or more precisely for ratification. Judges must be continually aware of the Party line, and their speeches and decisions must be designed to strengthen the socialist society.

Previously anyone with a "revolutionary conscience" could act as defense attorney during the actual trial, but recently legal training and the licensing of lawyers have been emphasized. Although in ordinary civil or criminal cases, a defense lawyer may be free to serve the needs of his client, in cases with political implications he is required to "think first of all of the interests of the people, the interests of the state."<sup>7</sup> In political trials, where the defendant is presumed guilty, an attorney would have to be courageous indeed to argue against the Party line. Typically, he merely asks for clemency for his client. Occasionally, the Procurator may argue in defense of such an undefended suspect.

Judges may participate actively in court sessions, calling in witnesses in support of the accused or in civil cases in support of either litigant, or to provide information about the defendant's political views, past and present, and even those of his relatives and associates, his class origin, his contact with foreigners, his work record. In cases where the verdict of guilty is predetermined the evidence, designed to be primarily educational and explanatory, may be selected and interpreted to "prove" that the anti-state crime was not the result of weakness in the Soviet system, but rather was due to the incomplete eradication of capitalist influences transmitted by non-Bolshevik forbears, or by the contaminating influence of capitalist contacts. Although there is no doubt that in many trials with political implications, the evidence is selected in a biased manner, it seems that in non-political cases trials are designed to permit a just decision.

Although the Soviet judicial system has been making some progress toward increased legality, concurrently there has been a trend toward extrajudicial practices known as "popular justice," or "popular judgment." Popular justice is exercised through anti-parasite laws, comrades' or social

<sup>7</sup> P. Kundryantsev, in *Liternaturnaya Gazeta*, June 8, 1951.

"courts" and the peoples' guards. The anti-parasite laws are directed against antisocial or parasitical elements who avoid socially useful labor or live on unearned income. The "trial" consists of a meeting attended by the majority of the adults in a village or apartment block who by a simple majority, open ballot vote may sentence the offender to two to five year exile with compulsory labor at a specified location. The sentence has to be confirmed by the executive committee of the local soviet. The accused is not protected by the normal rules of evidence and proof and has neither the right to defense nor appeal.

"Comrades' Courts" are designed to maintain discipline using the force of public opinion and social pressure to accomplish their purpose. Such "courts" may try petty offenses such as minor poaching, petty profiteering or misappropriation of public property, tardiness or absence from work without valid reason, delaying production because of carelessness, beatings, drunkenness; vulgar language, insults and failure to fulfill the duties of bringing up children. The "court," consisting of a president and two members appointed by him from an elected group, may be set up in a factory, apartment house, kolkhoz or other organization. Cases are heard in public and decisions made by majority vote are announced publicly. There is no right of appeal. "Comrades' courts" are empowered to apply "corrective measures" including public reprimands, fines of up to 100 rubles, and, subject to the approval of the director of the enterprise or the Peoples' Court respectively, dismissal from work or eviction from an apartment. The effectiveness of the sentence is supposed to lie in the shame felt by the worker.

The peoples' guards are groups of citizens formed to assist public organs in maintaining public order and social discipline. Extensive participation is reported as for example the report from Kiev that in February, 1960, guard members numbered more than 22,000.<sup>8</sup> The guards take action against acts which might be overlooked by the police and attempt to eradicate amoral and anti-social acts such as drunkenness and hooliganism.

The anti-parasite laws, comrades' courts and peoples' guards are described by the Party as an aspect of the transition to communism, the inclusion of the widest strata of the population in the management of the affairs of the country and the ultimate withering of the state. Western observers criticize the Soviet brand of popular justice, because it is controlled and manipulated by Party agitators, and because grave injustices are possible.

The secret police constitute a major threat to the security and peace of mind of the Soviet citizen. Known previously as CHEKA, GPU, OGPU, NKVD, MGB, and currently as MVD and KGB, the secret police played a

<sup>8</sup> "The New 'Justice' in the U.S.S.R.," *Notes, Soviet Affairs*, op. cit. p. 11.

leading role in the Red Terror, the Great Purge, and all lesser purges, in eradicating elements in opposition to the regime, and in terrorizing the people into acceptance. Although recently some of the activities of the secret police have been limited, the Party which uses terror as a powerful weapon to maintain control over its subject peoples, still needs the secret police. Knowledge of dossiers of potentially incriminating information, memories, of secret arrests and the eventual disappearance of individuals, and rumors about the horrors of interrogation and forced labor camps permit the secret police to engender sufficient terror to safeguard Party control.

Some of the most important victims of secret police investigations have been brought to public trial where they admitted all accusations, incriminated others, and apologized for their crimes against the regime, about which they made laudatory speeches. Although a few of the most ardent Communists may have retained devotion to the Communist cause, in spite of their own downfall, the public confessions in the main have likely been due to cruel interrogation procedures or the hope of clemency. Soviet authorities emphasize the need of rehabilitating or retraining political deviators but in the past the retraining seems to have consisted of the public confession during which the victim declared that he, and not the system which arranged for his downfall and perhaps his execution, was wrong, and that he was grateful to know about his errors so that he might repent.

Many of the citizens sentenced by the courts or the secret police were, in the past, sent to forced labor camps. Reports from former inmates indicate that in these camps the emphasis was on work rather than retraining, even political retraining. Prisoners were given high production quotas and food rations were restricted if work output did not meet minimum requirements. Common criminals were, in general, treated better than political prisoners. There are no indications of the deliberate and systematized brutality characteristic of the Nazi concentration camps, in spite of sickness and death which resulted from undernourishment, overwork and unsanitary conditions. Although Party leaders claim that all forced labor camps have been abolished, many western observers are skeptical. The Soviet system still needs methods of terror to eliminate expressions of opposition, and conviction for political crimes is an integral part of maintaining terror and hence control. At any rate, no society has been successful in eradicating all crime, and the U.S.S.R. still has prisoners. And since in the Soviet Union concentrated efforts are made to maximize production, it is likely that prisoners are used in forced labor projects.

The need for terror tactics in the U.S.S.R. might, however, be diminishing because the demands made on Soviet citizens are decreasing and the rewards

increasing. As popular support for the regime grows, the number of arrests for political crimes may be expected to decrease accordingly.

It would be erroneous to assume that foul play predominates in all aspects of Soviet administration of justice. Like all other states, the U.S.S.R. needs the stability resulting from certain rules of conduct which are enforced. If habitually a large proportion of the innocent were punished and the guilty were unpunished, dire consequences would follow. The Party leaders are fully cognizant of the need for stability, fair play between individuals, and the protection of society against asocial behavior. In non-political cases, the administration of justice in the U.S.S.R. is, in the main, comparable to that in other states. But because of political considerations, Soviet citizens may be subject to unjust treatment.

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#### PSYCHOLOGISTS TO MEET IN MONTERREY

The Seventh Inter-American Congress of Psychology will be held in Monterrey, Mexico, from December 19 to December 23, 1961, under the joint sponsorship of the Instituto Tecnológico y de Estudios Superiores de Monterrey, the Institute of Latin American Studies of the University of Texas, and the Centro de Investigaciones Sociales, A.C.

The latter group is an international co-ordinating research organization in the behavioral sciences located in Monterrey, Mexico. The organization, although only one year old, sponsors eight research projects now in the field.

Though this Congress is primarily a psychological one, papers are by no means limited to that field. Contributions to the understanding of human behavior in cross-cultural situations are welcome from members of any of the behavioral sciences. The Congress will be organized for the purpose of the presentation of papers and resultant discussion under four main headings: personality and culture, experimental psychology, applied psychology (educational and industrial), and psychology and mental health.



# Western Political Forms: Their Adaptation to the Philippines

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IN A SHORT ANALYSIS OF A TOPIC such as this one, it is necessary to recognize one most important and distinguishing consideration: social institutions including political and governmental forms, are not readily changed. On the other hand, and equally important to perceive, is the fact that important and fundamental changes do take place: older governmental institutions do in fact give way to more modern ones; new theories replace old ones; and untried ideas are experimented with. Some such innovations catch on while others do not, and one must invariably ask why things work out as they do in these individual cases.

The relative success or failure of such innovations involves, in the writer's opinion, a number of factors, including (1) the system of tutoring or education by which the innovation is accompanied, (2) the length of exposure to the innovation, (3) the intensity of impact of the innovation and of the innovators, (4) the relative vitality of the newer and older systems, (5) the relative superiority of the innovator's system to the one being changed, (6) the urgency or catastrophic character of immediate circumstances, and (7) the atmosphere or constitutional ethos of the original society as a whole as it relates to the innovations.

Accordingly, when one considers Philippine development in relation to these factors, it is perhaps understandable that Western governmental institutions and attitudes are anything but foreign to the Philippines. As one observer has phrased it:

The cardinal fact about the Philippines is that this is an Asian nation with an Asian population, which has had an unusually long and sustained exposure to Western concepts and institutions. The result is a unique amalgam, still in process of formation, with ingredients both indigenous and either imposed or imported from outside. The same sort of amalgamation has been going on elsewhere, but probably nowhere to the same extent.<sup>1</sup>

The really important line here is "nowhere to the same extent." Indeed,

<sup>1</sup> F. Heady, "The Philippine Administrative System: A Fusion of East and West," *Philippine Journal of Public Administration*, I (January, 1957), 27.

the writer is inclined to believe that in many areas of Philippine activity the fundamental cultural underpinning is no longer Oriental but essentially Western. Thus when one considers that the Philippines was occupied for about four hundred years by major Western powers which were at high points of vitality during at least parts of their eras of occupation, when it is realized that such Western cultural elements as religion were accepted by the Filipinos, when it is evident that the medium of communication with the outside was and is via Western languages, when in a word it is realized that original Filipino culture was swamped by the Spanish and American impact, it is understandable that the end result inclines strongly toward the West. Although it may be agreed that there are very clear evidences of Malay culture in the fabric and that the apparent similarities between Philippine and American governmental systems may mislead one into thinking that the former is merely "a miniature replica of the American administrative system,"<sup>2</sup> it is almost equally easy to lean too far the other way and to impute more importance to Oriental culture than is warranted. This is particularly true in the area of government.

Although there is evidence of a significant Filipino culture when the Spaniards arrived, the Malay society was in many respects no match for the Hispanic. Moreover, the Spaniards set out to destroy some Malay institutions,<sup>3</sup> and the United States, in its turn resolved to make some other major changes. If one couples all of this with the fact that the modern ideas, and therefore the aspirations for material and cultural betterment, are closely allied with Western culture, Western languages, and Western education, it is understandable that the Western impact in the Philippines was enormous.

Pre-Spanish Filipino political society apparently was not very complex. It consisted of numerous more or less self-sufficient small communities of perhaps a thousand persons each. Leadership was vested in a ruling group called *datos*, and the services provided by government were rudimentary at best.<sup>4</sup> In this setting it is not difficult to see that Spanish governmental institutions could be imposed without having to replace very much in the way of traditional apparatus.

The obstacles confronting the United States were somewhat different. Indeed, it may be rather cogently argued that the major roadblocks confronting the objectives of the United States were tied to the traditions and patterns engendered during the Spanish era—for example, extreme centralization.<sup>5</sup>

<sup>2</sup> See *ibid.*, p. 28, where this danger is emphasized.

<sup>3</sup> See brief account in O. D. Corpuz, *The Bureaucracy in the Philippines* (Manila: University of the Philippines—I.P.A., 1957), pp. 1-11.

<sup>4</sup> *Ibid.*

<sup>5</sup> For a discussion of centralism see E. O. Stene, "Centralism in Administration" in E. O. Stene and Associates, *Public Administration in the Philippines* (Manila: University of the Philippines—I.P.A., 1955), pp. 48-66.

And in all fairness to the Spaniards it is well to point out that some American programs seemed to need continued centralized leadership.<sup>6</sup> Thus even today mileage markers on Luzon indicate distances from the cathedral site in Manila—a fact which in itself is unimportant—but which may be used to symbolize the high degree of centralization which obtains. And it is certainly not a Malay heritage.<sup>7</sup> The end of the Spanish period was characterized by a low level of governmental services. At the same time there seems to have been a real desire for certain services, notably schools. Moreover, attitudes inclining toward liberal governmental institutions, while forbidden, were clandestinely held and were widespread among the educated classes. Under these circumstances American-inspired governmental reforms and services were generally well received.

Accordingly, the seeds of Western governmental and political institutions, whether Spanish or American, fell upon exceedingly fertile ground. This is not to suggest that Western concepts were always adopted without change, but it is fair to say that a great many were enthusiastically embraced. Often in application the institution underwent modification, but the writer is inclined to think that the modifications stemmed and today stem as much from economic and catastrophic circumstances as from the basic Asian culture.<sup>8</sup>

Two further generalizations are in order before proceeding to examine some specific examples: first, it may be categorically stated that virtually all governmental institutions from top to bottom in the Philippines are derived from western sources; secondly, on the other hand the Malay attitudes and ways of doing things still have implications for government, and, in the non-Christian areas, Moro and pagan political practices persist.<sup>9</sup> Moreover, the *barrio*, the smallest unit of local government traces its origins to the pre-Spanish era.

Specific examples of the application of Western forms are so numerous that they defy listing. As noted above, almost all governmental institutions fall into this category, but it may be useful to pick out a very few examples

<sup>6</sup> Heady, *op. cit.*, pp. 35–36.

<sup>7</sup> *Ibid.*; Stene, *op. cit.*, p. 50 *et passim*; Corpuz, *loc. cit.*

<sup>8</sup> See Corpuz, *op. cit.*, pp. 235, 243–244, where pre-Spanish influences on the bureaucracy are essentially ignored and where some abuses which are often partially attributed to the Hispanic era are discounted. Corpuz speaks of “social conditions which are clearly independent of the Spanish bureaucracy” as being responsible for “Nepotism and other forms of privatization of public office.” It is not clear whether Corpuz refers here to poverty and conditions related to World War II, but it is presumed that these are at least to be prominently included.

<sup>9</sup> For a recent account of Moro practices and attitudes, see Melvin Mednick, “The Moslem Community in a Christian Nation” paper reproduced in *Asia: Community Development in the Philippines* (Carbondale: Southern Illinois University’s Committee on Asian Studies and The Community Development Institute, in collaboration with the Philippine Studies Program of the University of Chicago, 1960).

and briefly inquire into the peculiarities which have characterized their adaptation to the Philippine system. For these purposes the Presidency, the Vice-Presidency, the machinery of democracy, governmental services and the bureaucracy, and the local governmental area known as the barrio will be touched upon.

First, *the Presidency*. The top office in the Philippine system is by all standards the Presidency. Although the office was patterned upon the American chief executive, it embodies other traditions as well. Indeed, the separation of powers concept was not at all well ingrained in Philippine thinking, and there was much emphasis in Philippine tradition upon what has been called a quasi-parliamentary pattern.<sup>10</sup> Nevertheless, in the 1934-1935 Constitutional Convention the basic decision was made to establish a unitary presidential system. It should be added that the Philippine founding fathers saw fit to ignore that fine old American institution, the electoral college, and provided for election at large.<sup>11</sup> The system which emerged drew heavily upon the American presidential tradition without completely losing the omnipotence of the Spanish Governor-General. Hence the Philippine President is relatively a more powerful figure than his American counterpart. It must be noted also that a truly successful Philippine President like the late Ramon Magsaysay embodies not only these elements, but it has been suggested that he also manages within the Malay framework to kindle vicarious kinship ties with his countrymen.<sup>12</sup> Accordingly, he is not only a powerful democratic leader and a symbol of unity and strength, but he also approximates the position of a son, a brother, or a father. Thus, while the office clearly stems from the American pattern, it has some roots both in the Hispanic tradition and in Malay culture.

Second, *the Vice-Presidency*. There is very little of note in the Philippine or Hispanic traditions that would have dictated the provision for a vice-president.<sup>13</sup> Municipal vice-mayors and the vice-governor during the American period were perhaps vaguely in this pattern, but there was nothing else, and these are probably not too important. It might be conjectured that a system having a president and a vice-president was particularly adapted to the presence on the scene of Quezon and Osmeña who, if they could not run as a team might conceivably oppose one another. Moreover, it may be argued

<sup>10</sup> See J. H. Romani, *The Philippine Presidency* (Manila: University of the Philippines—I.P.A., 1956), pp. 1-25.

<sup>11</sup> *Constitution of the Philippines*, Art. VII, Sec. 2.

<sup>12</sup> See T. M. Locsin, "The People and R M," *Philippines Free Press* (August 29, 1959), p. 2 *et passim*; see also comments and references in C. Quirino, *Magsaysay of the Philippines* (Manila: Alemar's, 1958) pp. 260-262, 265-266, *et passim*.

<sup>13</sup> Drawn from the author's article, "Observations on the Philippine Vice Presidency," *Philippine Journal of Public Administration*, III (October, 1959), 413-425.

that the existence of a vice-presidency is consistent with the fundamentals of a presidential system. But however all of this may be, the device of the vice-presidency is purely an importation. The mechanics of the office are to outward appearances much like those of its American prototype, with the two obvious exceptions that the Philippine Vice-President is elected at large in his own right, and that he does not have legislative functions. Some of the founding fathers were dubious about such an officer chosen merely as a successor to the President with no other functions.<sup>14</sup> Accordingly it was provided that he could be appointed as a department head or to the cabinet at the discretion of the President.<sup>15</sup> Although the Philippine Vice-President is not necessarily more powerful than the American, in the writer's estimation he is generally a far more important officer. This is true in part because of chance factors, but also the administrative roles which have usually been played by the Vice-Presidents have also thrust them into the limelight. Thus with the exception of the present incumbent whose situation is unique, three of the four previous Vice-Presidents have become President, and all have held important secretaryships and other administrative posts. The office is also an avenue for favor-seeking and patronage within the Philippine government. The vice-presidency as an office is purely an importation, but one which the writer is inclined to believe is better used and of considerably greater importance than the comparable American office. It represents therefore an administrative advancement over American practice. If there are evidences of Asian culture in the office, they appear to obtain only in regard to vicarious kinship ties and to personal aid obligations.

Third, *the Machinery of Democracy: Political Parties and Related Devices*. Philippine democracy as a whole and parties in particular have come in for their share of criticism and controversy. It has been suggested that Philippine political parties are really quite different from parties in most democratic countries. Closely associated with this controversy has been the argument as to whether the Philippines is truly a democracy at all. The present author has little doubt that the term democracy can be properly applied to the Philippines, but a close analysis of the local scene suggests that there are important differences between democratic procedures in the Philippines and the United States.

The Philippine party system<sup>16</sup> superficially resembles our own in that it appears to be a two party system flanked by a few minor parties. Moreover, parties stem from the American period though clandestine factions existed

<sup>14</sup> See in *Proceedings of the Constitutional Convention* (Ann Arbor: University microfilms, 1955), VII, 4319-4353 (Reel 5).

<sup>15</sup> *Constitution*, Art. VII, Sec. 11 (3).

<sup>16</sup> See especially D. Liang, *The Development of Philippine Political Parties* (Hong Kong: South China Morning Post, 1939), *passim*.



in the earlier regime. In some respects the similarities between Philippine and American parties are real; for example, the parties are substantively close together and many shades of opinion are represented in both. On the other hand, there appears to be less built-in party loyalty in the Philippines at least in certain respects, and as a consequence a politician may switch parties with relative ease. Moreover, parties in the Philippines are more of the personality type than in the United States. In this regard they are often likened to Latin American political parties, and it has been conjectured that Hispanic influences are responsible, though consistency with the Malay culture is also in evidence. These possibilities do not preclude democracy, they merely suggest variant institutional development.

The closely related but possibly more fundamental question which might be asked is whether American democracy has taken root in the Philippines or whether, on the other hand, graft, paternalism, nepotism, landlord-tenant relationships, family kinship ties and extended compadre relationships together with poverty and the smallness of the middle class have not negated the essentials of democracy. It would not be easy to answer such charges fully even if one had unlimited resources. Certainly these elements do not serve to bolster democracy, but on the other hand there are other elements which are strongly democratic in orientation. Among them are the active political discussions, the vigorously free press, the citizen election watching machinery used in recent elections, the very fact that Magsaysay could win in 1953, the election of President and Vice-President from different parties in 1957, the outcome of some of the recent elections for barrio lieutenant, and the relatively high social mobility. Moreover, while these elements—most of which are suggestive of Western origins—impress one with the existence of important factors of democracy, it might be noted that the elements inclining in the other direction are themselves the results of colonial rule and therefore of Western influences or the results of catastrophic circumstances such as the Japanese occupation, or the low economic levels which obtain, rather than being the products of Asian civilization *per se*. Nevertheless the kinship and extended kinship relationships on the one side and social mobility on the other are probably of Malay origin; but even if this is true, both have been augmented by Western influences as well.<sup>17</sup>

Fourth, *Governmental Services and the Bureaucracy*. The whole vast area of governmental services, which can be touched but briefly here, presents still another variant of the broad question of the adaptation of Western political and governmental institutions to an Asian setting.<sup>18</sup> A few brief attempts at generalities would seem to be in order. In the first place, virtually

<sup>17</sup> See Corpuz, *op. cit.*, pp. 237-240 where nepotism is discussed in relation to the "duty toward a relative"; thus an "ethical basis" for nepotism may exist which makes the problem "more difficult to remedy."

<sup>18</sup> See accounts of various services in H. B. Jacobini and Associates, *Governmental Services in the Philippines* (Manila: University of the Philippines—I.P.A., 1956), *passim*.



all service activities are importations at least in the sense that they concern Western derived areas of activity and interest. Secondly, while many services are adequately performed,<sup>19</sup> a check list of services would include a large number that are on the statute books but which seem to serve purposes other than the obvious—if they serve any purposes at all. Such agencies have the bulk of their personnel in Manila and in many cases it is probable that they do little substantive work. It may be conjectured that in addition to focusing some attention upon the substance of the services with which they purport to deal, the real function performed by such agencies is twofold: (1) they are a form of unemployment relief, and (2) they have prestige for their employees. Beyond this the Philippine civil service has other interesting aspects. While the merit system is acceptable in principle, in practice the close family, compadre, geographic and other kinship ties coupled with the unemployment problem give rise to the effort to get one's kin and associates on the public pay roll. In this matter the Malay kinship obligation plus the demands of unemployment have generally taken precedence over the superficially accepted principle of the merit system.

Many, many other governmental examples might be cited within the general pattern thus far employed, and still other non-governmental instances of the impact of Western culture might further underscore this point.<sup>20</sup> There is, however, one area of local government which may contain characteristics which are at least somewhat at variance with the prevailing pattern. It should be added that one cannot be at all sure what weight should be given to this matter, but in any event it is a part of the total picture.

Fifth, *the Barrio*. Much has been written about the barrio which is the smallest official unit of local government in the Philippines.<sup>21</sup> In most of it, it is suggested that the original Malay governmental institutions were called *balangays*, corrupted by the Spaniards to *barangays*. Each of these was a settlement the residents of which had originally migrated in one boat. Leadership in the *balangay* was vested in the hereditary *datos*, previously mentioned. The Spaniards left the *balangay* political structure alone for a time but eventually these units were grouped together into larger units called *pueblos* (that is, towns or municipalities) and the *balangays*—now *barrios*—came to

<sup>19</sup> Among the more obvious examples of well performed functions, education would loom most important; also, it may be conjectured that it would be hard to find a military unit more firmly grounded in the Western humanitarian tradition than the Philippine Army's Economic Development Corps.

<sup>20</sup> Some important examples include the system of law and the courts, the concept of civil rights, the Congress, health services and the armed forces; nongovernmental institutions with considerable cultural importance would include such divergent examples as the church, the cinema, basketball, and Western dancing.

<sup>21</sup> See J. H. Romani and M. L. Thomas, *A Survey of Local Government in the Philippines* (Manila: University of the Philippines—I.P.A., 1954), pp. 1-14; also chapter by the same authors in Stene, *op. cit.*, pp. 67 to 95; also J. H. Romani, "The Philippine Barrio," *The Far Eastern Quarterly*, XV (February, 1956), 229-237.

be mere administrative subdivisions. Leadership remained hereditary for a time, but eventually control came to be vested in an appointive official whose position was abjectly thankless. With the Americans the barrio was continued with leadership under a town councilor and with an appointive barrio lieutenant and sometimes an appointive barrio council. Under the Commonwealth and the Republic the same pattern was followed except that there was much discussion about revitalizing local government. Accordingly, in 1955 an act of Congress provided that the barrio lieutenant together with other council members in the barrio were to be elected, and more recent legislation has increased the power of these councils considerably.<sup>22</sup> How much democratic vitality has emerged within this framework to blot out the traditionally autocratic patterns of barrio control is not clear. For purposes here, however, it is possible to argue that the barrio remains a vestige of the Malay political heritage. But if the cloth remains the same, it has nevertheless been dyed, shrunk, altered, recut, resewn, and otherwise modified so that few of its original characteristics remain. It may be argued, however, that in the barrio the kinship ties and obligations previously alluded to are strongest;<sup>23</sup> moreover, the barrio appears to be often dominated by other than Western democratic leadership patterns. Here again, however, there are economic circumstances and other Western influences which obscure the picture.<sup>24</sup>

By way of conclusion it must be emphasized that, unlike some other Eastern lands, the Philippines has been so long and so thoroughly steeped in Western influences that Western governmental institutions often have been accepted almost at face value. Moreover, many of the modifications which have prevailed are as much or more the results of other Western influences, and of catastrophic and economic circumstances as they are the products of Asian culture. On the other hand, there are vestiges of Malay political institutions in the local governmental unit known as the barrio, and some of its patterns of leadership may conceivably be traced back to pre-Spanish times. Moreover, and of more general application, in matters of close and extended kinship obligations and probably in some other related situations, the Malay political traditions may retain some influence.

If the substance of these observations is correct, these results point to great possibilities for cultural change as wrought by education in the most comprehensive sense of that word. They may also afford real insights into what goes into the make-up of democracy.

<sup>22</sup> R. A. 1408. See also N. G. Rama, "Home Rule for the Barrio" reprinted in *Community Development, The War Against Want, Hunger, Illiteracy and Disease* (Manila: PACD, 1959), pp. 84-87.

<sup>23</sup> See G. F. Rivera and R. T. McMillan, *The Rural Philippines* (Manila: Mutual Security Agency, 1952), pp. 44-46, *et passim*; also W. E. Sibley, "Leadership in a Philippine Barrio," *Philippine Journal of Public Administration*, I (April, 1957), 154-159.

<sup>24</sup> The economic pattern emerges in Rivera and McMillan, *op. cit.*, *passim*; see also article by Jose E. Velmonte, "Some Aspects of Philippine Rural Economy," *The Philippine Agriculturalist* (October, 1934), reprinted in Rivera and McMillan, *op. cit.*, pp. 214-216.

# Book Reviews

*Edited by*

H. MALCOLM MACDONALD

NICHOLAS KALDOR: *Essays on Economic Stability and Growth*. Glencoe, Illinois, Free Press, 1960. 302 pages. \$6.75.

NICHOLAS KALDOR: *Essays on Value and Distribution*. Glencoe, Illinois, Free Press, 1960. 238 pages. \$6.00.

These two volumes of previously published essays have much more than the usual interest of such collections. Nicholas Kaldor is unquestionably one of the most distinguished economists of our times, and for twenty-five years he has leapt lustily and joyously into the fray of each controversy in economic thought which came along. His collected essays are more than a record of his own thinking; they are virtually a history of economic thought in our generation. For the reviewer, who first knew Kaldor as a lecturer at the London School of Economics and encountered him later as colleague and friend at the Cowles Commission in Colorado Springs, the University of Minnesota, Harvard University, Cambridge University, and MIT, rereading these essays has been a source of particular pleasure. They have enabled him to recapture the excitement of a long series of seminars in which the germinal ideas of many of these essays were first presented.

While these two volumes overlap somewhat in time, they can quite prop-

erly be regarded as "pre-Keynesian" and "post-Keynesian." The most recent of the essays on value and distribution was first published in 1955; nonetheless, the content of this volume is essentially pre-Keynesian in character. The subject matter relates to the theory of equilibrium, the theory of imperfect competition, the theory of welfare economics, the theory of capital, and the theory of distribution. Kaldor himself is now somewhat critical of these essays. In his Introduction to this volume, he says: "The very implications of these particular essays are largely critical of that theory [static neo-classical theory] since they concentrate on clarifying the rigid framework of assumptions necessary for validating its basic assertion, [but] they do show an insufficient awareness of the fact that meaningful generalizations about the real wealth can only be reached as a result of empirical hypotheses, and not by a priori reasoning."

The second volume is clearly post-Keynesian in character. It is concerned with speculation, liquidity preference, and the theory of employment; the theory of economic fluctuations; and the theory of economic growth. These essays have an interest transcending that of a catalogue of major controversies in recent decades. They come very close to constituting an integrated and systematic exposition of the sort that one ex-

pects in a treatise. Kaldor himself seems to have a higher regard for these essays as a contribution to current thought than he does for the other volume. "The essays in this volume," he writes, "are thus in the nature of a progress report—they recall the progress of my ideas in a field which, with some interruptions, has occupied my mind for over twenty years. . . . My justification for thus bringing them together is the belief that following the development of ideas is the surest way of understanding them."

To the reviewer, the most interesting single essay in the two volumes combined is the most recent, "A Model of Economic Growth." In his introduction to the other volume, Kaldor promises "a thorough exposition of my present views on technical progress and economic growth," which, he says, he hopes "to do in a future work." As a graduate student at the London School of Economics, I looked forward to Kaldor's treatise on value and distribution, then confidently expected. No such treatise has ever appeared. May we hope that the promised treatment of technical progress and economic growth will assume the form of a treatise? For while Kaldor's collection of essays almost adds up to systematic exposition, it falls somewhat short of that. No collection of essays, no matter how significant the separate parts may have been at the time of publication, can hope to have quite the enduring impact on scientific thought as a continuous book-length treatment of the subject matter.

Benjamin Higgins  
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STANLEY M. ELKINS: *Slavery: A Problem in American Institutional and*

*Intellectual Life*. Chicago, The University of Chicago Press, 1959. 248 pages. \$4.50.

JOHN H. ROHRER and MUNRO S. EDMONSON (eds.): *The Eighth Generation: Cultures and Personalities of New Orleans Negroes*. New York, Harper & Brothers, 1960. 346 pages. \$6.00.

The main effort of Elkins' study is to provide an explanation for the development of "childlike qualities" as prominent personality characteristics among American Negro slaves. His thesis, with appropriate qualifications, suggests that the slave experience in the United States was similar to the experience of prisoners in Nazi concentration camps, and significantly unlike that of slaves in Latin America. The latter lived in "open systems," whereas Southern slaves and camp prisoners were subjected to "closed systems." The plantation owner, for example, was an absolute boss in American slavery, just as the guard represented absolute power in the concentration camp; their victims had no "significant others" in the world of responsible people except these total authorities. Slavery in Latin America, on the other hand, had sources of power, such as the priesthood and agencies of the Spanish Crown, which could countervail plantation authority in important ways. The author's principal argument is that the "closed systems" induced "infantilism" in their victims. It is profusely documented, and is a fine example of scholarship drawing upon the perspectives and conceptual resources of history, sociology, and psychology.

The last third of the volume consists mainly of a critique of Abolitionists and Transcendentalists. It is less satisfactory than the first part of the book, but does amplify the preceding argument somewhat.

*The Eighth Generation* originated as a follow-up of Davis and Dollard's *Children of Bondage* study, using certain of the persons who had been studied in the earlier work as respondents. In common with Elkins' study, role-playing theory is crucial. Here, however, there is more concern for the developmental processes of role identification and with a range of alternative possibilities. Elkins was concerned only with the "permanent child," which is of little importance in the study of eighth-generation New Orleans Negroes.

Rohrer, Edmonson, and associates contend that most of their subjects have made one primary role identification, which links each to his own social world. They suggest that such "primary role identification" is a more secure self-society adjustment than "role diffusion," a condition which afflicted a few of their subjects. They describe four common types of identification among New Orleans Negroes, and there is a fifth, a "marginal" category, for "diffused" people.

Oddly enough, this study suffers from research diffusion. Elkins' work has a manifest internal continuity; it is one man's conception, and its execution belongs to him. The New Orleans study is the work of a team, and most of the defects of team research are present, smothering its virtues. I doubt that members of the team would agree with me or with each other on any main line of development in their study. It moves in many directions. Its importance, I

should say, lies in its thesis about role identification—it is not essentially a study of eighth-generation Negroes, nor of Negroes per se, nor of Negroes in New Orleans. But I must admit that this thesis is explicitly developed in a remarkably small part of the book; much of the rest, however, has no discernible connection with it.

Leonard G. Benson  
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HERBERT E. WEINER: *British Labor and Public Ownership*. Washington, D.C., Public Affairs Press, 1960. 111 pages. \$3.25.

The nationalization policy of the Labor Party has undergone some very considerable changes in the past decade, to the extent that many observers are now wondering what, if anything, remains of the socialism of this traditionally socialist party. The past four general elections have produced a continuous decline in Labor's electoral strength and after the 1959 defeat a great soul-searching took place in the Party, during which it was rather widely acknowledged that the nationalization policy not only had lost its appeal but had become a positive deterrent to the party's electoral recovery. But on this, as on several other issues, the Party is deeply divided, and it offers no immediate promise of being able to reconcile its divergent factions. The future of socialism, or more precisely public ownership, in the Labor movement is very much in doubt.

The reader bemused by recent headlines about these rifts in the Party should be warned, however, that he will



not find much discussion of current problems in Mr. Weiner's excellent little book, though he will find a great deal that explains their causes and sharpens their meaning. He may also be surprised to discover that controversies over nationalization are nothing new in the Labor movement, for, as Mr. Weiner clearly shows, it has been the subject of continuous disagreement from the very beginnings.

In fact, that running controversy is the subject of this book. What the author has done is to survey the environments and the ideas that have governed the attitudes of the trade-union movement towards public ownership of key industries and services over the past ninety years. The discussion is oriented more toward the Trades Union Congress than toward the Party itself, though the two are, of course, closely related and each is considered at length. But the central theme is the attitude, or attitudes, of the movement itself, of which the former is considered to be the economic and industrial arm and the latter the political.

In the beginning the T.U.C. was actively opposed to nationalization; then it moved through a period of uncertainty or indifference; and it was not until after World War I that it accepted nationalization as an essential means of righting the perceived wrongs of the existing society. But in Mr. Weiner's (perhaps somewhat naive?) view, this policy did not on the whole represent the selfish grasping of one interest for power and benefits but rather the answer of a large and important segment of society to the problems posed by that society's ills. It formed Labor's response to the evils of the times, and as times and evils changed, the form and mean-

ing of its advocacy of public ownership changed as well.

The effects of the postwar welfare state upon the militancy and convictions of the Labor movement are still being analyzed and disputed, both within the movement and without. While Mr. Weiner recognizes that the movement has "arrived at another period of transition in its thinking," he insists that British Labor is not yet ready "to turn its back on nationalization," even though "there has been a distinct decline in the importance attributed to it." How the dilemma is finally resolved will clearly have tremendous significance not only for the Labor movement but for the future of British politics as a whole, and those who are concerned with the problem will find considerable help in Mr. Weiner's handy guide to the background of this dialogue.

William S. Livingston  
The University of Texas

OTTO BUTZ: *Of Man and Politics: An Introduction to Political Science.* New York, Rinehart & Company, Inc., 1960. 296 pages. \$4.00.

Among those who have sought a better introduction to political science than the traditional survey of American institutions and practices, some, during the past generation or more, have refurbished the still older "principles" treatment; others have combined theory and comparative foreign government with American materials. The present work is of the latter kind, and aspires also to provoke thought on relevant "great issues." The literary performance is crisp, clear, and classically self-restrained.



And, for all of its broad sweep and scope, the effort sustains a gratifyingly well-integrated philosophical perspective. This comparatively slim volume will certainly rank among the best.

The content includes an account of the historical evolution of the philosophy and institutions of Western liberal democracy; a comparative appraisal of contemporary politics and government in the United States, Britain, France, Western Germany, and Soviet Russia, as well as among the "underdeveloped" peoples; and a brief overview of current international politics. The author courageously tackles the major dilemmas of our time, which he formulates as the enduring "challenge of man's freedom": "How to organize man's greatest possible welfare as a member of society, while leaving him with the greatest possible moral autonomy as an individual human being." He forthrightly offers his own well-reasoned answers.

Understandably the treatment suffers some of the inherent limitations of the method. The supporting factual materials are only sparsely brought into the picture; the forest is much clearer than the trees. Whether this is the best preparation for coming to grips with the crucial issues of mid-twentieth century is a good question. Can the beginning student learn to run before he knows how to crawl? Perhaps the exceptional individual would profit. Finally, some of Butz' answers will encounter criticism and dissent, as, e.g., the view that politics potentially extends legitimately to every aspect of social life, and probably will grow beyond its present reach; that moralism and legalism are susceptible of dangerous overemphasis in the conduct of international relations; that the foreign aid program must

be expanded. Hard lessons are sometimes hard come by.

August O. Spain  
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MAURICE PARMELEE: *The History of Modern Culture*. New York, Philosophical Library, 1960. 1295 pages. \$10.00.

This ambitious work is, indeed, a strange mixture of capable erudition with outdated approaches and theories. This is due to the fact that the product was originally conceived in 1907 under the inspiration of Herbert Spencer's *Autobiography*. In 1913 Parmelee published *The Science of Human Behavior: Biological and Psychological Foundations*, "the first book on Behaviorism in the English language." Since that time Parmelee has written several other books, whose substance is summarized here. The present synthesis traces the main course of cultural evolution, culture being defined as "everything made or changed by mankind, such as tools, houses, cultivated soil, boats, domesticated animals, and also mental products, such as languages, institutions, social organizations, religion, art, and science." Some of the chapters (all grouped into three parts: Origins and Early Evolution, Emergence of Modern Culture, and Geographical and Functional Functions) are "old stuff," deficient in the author's occasional lapses in the knowledge of the latest researches and contributions to certain areas. In contrast, others cover the topics not usually handled in similar treatises, such as the predatory exploitation of the masses by the upper classes, the influence of sex and its play function in human be-

havior, and the features of a genuine social economy as distinguished from the illusive world postulated by the so-called "science" of economics. Fortunately, technological change and geo-economic factors are more adequately treated than by most philosophers of history and cultural historians. Religion and magic are handled in their animistic and anthropocentric attributes. Science and technology emerge in their practical application in the industrial and the fine arts.

Evidently the author has tried to reach the common goal of scientists and philosophers: to leave to posterity an *opus magnum*, summarizing his research and his thinking. As with all such efforts, the result is more ambitious in its aim than in its concrete results. But, obviously, it has been a good try!

Joseph S. Roucek  
University of Bridgeport

HUGH H. SMYTHE and MABEL M. SMYTHE: *The New Nigerian Elite*. Stanford, California, Stanford University Press, 1960. 196 pages. \$5.00.

The achievement of independence by the federal state of Nigeria in 1960 marked not only the full coming of age of sub-Saharan Africa in the arena of world politics, but it also signalled the beginning of a struggle for ideological leadership within the growing group of African states. No longer can the more vociferous nationalist leaders of the smaller republics of Ghana and Guinea claim to speak in behalf of the entire sub-continent. A new giant of 35 million Africans has now appeared on the scene. Thus, if for no other reason than timeliness, the present analysis of the

character of the Nigerian political elite by Hugh and Mabel Smythe is worth while. The authors attempt to deal succinctly with the value system of the new leaders, the training for self-government achieved under colonial rule, the tribal and other sources of division which must be surmounted if Nigerian unity is to be continued, and the fluidity of role and class structure which existed in Nigeria on the eve of independence.

The study is based upon field research carried out in the three regions of Nigeria during 1957-1958. The Smythes engaged in extensive analysis of the careers of several hundred Nigerians mentioned in biographies, leading newspapers, and conversations, as well in a more intensive analysis of the careers of 156 Nigerians selected for personal interview. Who these 156 persons are, unfortunately, is something the reader is not permitted to know. Indeed, one is disturbed by the fact that in dealing with a political society in which personalities are so important the Smythes manage to present an elite of 156 persons which is almost faceless.

As has been true of other studies of African nationalism, the authors of this volume attribute the emergence of national consciousness in Nigeria to the operation of three social forces: urbanization, Westernization, and political developments. While the reviewer may agree that these have been the most significant factors for African nationalism in general, it would seem that with respect to Nigeria in particular the Smythes had an obligation to consider certain questions which they largely ignored. For example, if urbanization has been important today in developing national sentiment, why was it not so in the large urban centers of precolonial

Nigeria? Unlike Central, Eastern, and Southern Africa, which experienced urbanization only after the European arrival, many of the urban centers listed by the Smythes have ancient histories. Secondly, why do the authors pay so little attention to the religious phase of the Westernizing process? What contribution did Christianity make, however inadvertent, toward undermining the religious basis of traditional authority and disrupting the claims which the tribe, clan, and other corporate groupings made upon the individual? And what about the Islamic reaction to Christianity as a factor in the development of Nigerian nationalism? Finally, with respect to "political developments," why are the Smythes so reluctant to admit—as many educated Nigerians have admitted both before and after independence—that the development of Nigerian nationalism and statehood is at least in part the outgrowth of certain positive economic, social, and political policies of British administration?

The best part of this volume is contained in the impressionistic material concerning the attitudes of the members of the new elite toward each other, and toward the traditional tribal leaders, the families of the new elite, and the masses. Also admirably executed are the descriptions of how the members of the elite live, of how they rank various occupations, and of their views toward power.

The weakest part of this study is the authors' attempt at statistical analysis of the new Nigerian elite. The study would have been on firmer grounds had the researchers limited the analysis to the 956 persons listed in *Who's Who in Nigeria, 1956*, and engaged in some

sophisticated correlations among the several variables of age, education, residence, tribal affiliation, occupation, and the other factors which they treat as having some significance as isolated phenomena. Unfortunately, the Smythes found it necessary also to subject to statistical analysis the not-so-random sample of 156 persons who were personally interviewed. The acknowledgment that the group was selected so as to provide "a diversity of ages, occupations, tribal origins, political parties, and personality types" begs one to ask why they bothered to find out what they apparently already knew. They state that the individuals were chosen because of "the security of their status as members of the elite," but they fail to tell us how one can determine this fact in a highly mobile society on the eve of independence. Moreover, after having engaged in various unifactorial analyses of the characteristics of the 156 persons interviewed, they then proceed to correlate this analysis with the analysis of the larger *Who's Who* group. If the information regarding the latter was reliable, then it would seem that the interviews of members of the elite should have been directed toward filling in informational gaps and in gathering attitudes and impressions which the bare vital statistics could not provide.

J. Gus Liebenow  
Monrovia, Liberia

ROBERT L. ALLEN: *Soviet Economic Warfare*. Washington, Public Affairs Press, 1960. 293 pages. \$5.00.

Professor Allen, formerly Project Director of the Soviet Bloc Foreign Economic Relations Project of the Uni-

versity of Virginia and currently Associate Professor of Economics and staff member of the Institute of International Relations at the University of Oregon, has written an interesting and, in some ways, revealing book on Soviet foreign economic relations. Utilizing the many articles and monographs which have emerged from the University of Virginia research project (and which are listed in an excellent bibliography), Professor Allen summarizes their findings and comes to the conclusion that Soviet foreign economic and technical assistance can only be understood in terms of economic warfare specifically designed to strengthen "the Soviet state economically, politically, or militarily, or to promote the spread of Communism in the world." As a corollary to this basic proposition, Soviet economic policy must be viewed as "engaged in undermining the efforts of underdeveloped countries to establish equitable economic, political, and social systems." Given such an over-all approach to Soviet foreign economic policy the author does not readily fall prey to such baited traps as a purely economic evaluation of the law of comparative advantage without explicit reference to the political and military advantages which may accrue to the Soviet system even in the face of lack of complementarity of trade. To buttress his major conclusions, Professor Allen examines in great detail Soviet economic and political goals, foreign trade policies and practices, including pricing policy and patterns, credits for capital goods and armaments, participation in U.N. technical assistance, and Soviet capabilities, priorities, and growth. These chapters are followed by a series of area studies with discussion of the Soviet's economic relations with

underdeveloped countries in Asia, the Middle East, and Latin America.

While the reader would tend to question some of Professor Allen's conclusions (e.g., his pessimistic discussion of future Soviet growth rates), in general he would agree with him that the success of Soviet foreign economic policy to date is less due to actual Soviet performance than to the novelty of such aid, Soviet support of the desire of underdeveloped countries to industrialize, grandiose economic promises, etc. If there are basic weaknesses to be found in the book they lie in the absence of documentation, in apparently hasty writing which provides no means of tracing key statements to their origins, and in abundant repetition.

Murray E. Polakoff  
The University of Texas

BERNARD BAILYN: *Education in the Forming of American Society: Needs and Opportunities for Study*. Chapel Hill, University of North Carolina Press, 1960. 146 pages. \$3.50.

It is a good sign that the history of education is receiving a fresh look from those who have labored in other branches of history. A new approach, regardless of degree of excellence or merit, should cause the veteran educational historians to do some rethinking. The volume under review, by an associate professor of history at Harvard who has also taught educational history at the University's Graduate School of Education, is no mere feat of virtuosity; it is the exposition of a carefully conceived hypothesis founded upon a near-exhaustive study of the subject.

Professor Bailyn begins with the

premise that the history of the colonial period in American education, as "written by the educational missionaries of the turn of the century period," restricted educational history to formal instruction and reflected "not merely the professional concerns of the writers" but also the anachronistic assumption that "the past was simply the present writ small." He points out such errors as "the telescoping and fore-shortening of history," the "primitivism" of the past, and a condescension toward the educational work of earlier centuries. The "casual, inconsequential treatment of the colonial period" which Bailyn sees as "still flourishing," is based on a narrow definition of education as formal pedagogy. A different history can be written if education is regarded "as the entire process by which a culture transmits itself across the generations" and schools and universities as fading "into relative insignificance next to other social agencies." Education can then be seen "in its elaborate, intricate involvements with the rest of society," and "its shifting functions, meanings, and purposes" can then be better noted.

Constructively, Bailyn offers the view that the family was more important as an agency for transmitting culture than the formal schools and suggests that "the character of family life in late sixteenth- and early seventeenth-century England is critical for understanding the history of education in colonial America." Furthermore, the church, the community, and the economy, which also contributed their share to the transformation of education during the colonial and the Revolutionary periods, have not been fully explored by historical research workers.

The Bailyn thesis reads well stylisti-

cally and is highly informative. It is not documented by footnotes to sources, but rather by an annotated bibliographical essay which, together with the bibliography proper, comprises about two thirds of the content of the book. The comments are useful, but often not specifically critical enough, especially in the light of the author's critique in the first part of the volume. The author's treatment of the history of educational historiography is sketchy and his conception of it is derived, in the main, from selected writings and several secondary works. No reference is made to the Butts-Cremin book on the history of American education which stresses cultural and intellectual development, including the role of the family, and which uses sources untapped by other writers.

Professor Bailyn has called attention to lacunae in the literature on colonial educational history. His essay is loaded with suggestions for research and synthesis, and graduate professors can guide their doctoral candidates in search of thesis topics to his commentary. Educational historiography, like every other type, can stand some new ideas and improvement. Bailyn has shown one important way. It would be interesting and enlightening to see how he and others will put the principles into practice.

William W. Brickman  
New York University

BRUNO BETTELHEIM: *The Informed Heart*. Glencoe, Illinois, Free Press, 1960. 309 pages. \$5.00.

This book is not an empirical study of the effects of extreme repression in a concentration camp, and it is not a



theoretical treatise concerning the make-up of personality. However, its contents are relevant for both areas of interest. It represents a philosophical discourse on the nature of man and of personal autonomy in the face of totalitarianism. The hypothesis set forth is that strong inner convictions, intellectual mastery of events, and an integrated personality nourished by satisfying personal relations are one's best protection against effects of oppression. Bettelheim extrapolates from concentration-camp experience to the general problem of how the individual may remain free and preserve personal integrity in the situation of constant anxiety which is assumed to be inherent in Western civilization. Although the threat to autonomy is maximized in slave labor camps, it is a consequence of the forms of social organization existing in modern society. If the ordinary individual finds it impossible to influence his environment because of rapid change, too many choices, and an ever-increasing distance between the decision-making elite and the governed, then he feels impotent and personal autonomy is threatened.

The author sketches two main patterns of adaptation to this state of impotence or helplessness. One may surrender and give in to tyranny and superior force, either by becoming a living ghost (oblivious to the source of anxiety) or by identifying with the source of tyranny and enjoying its exercise vicariously or in a masochistic sense. The other alternative is to resist depersonalization or loss of individual integrity and to nurture ego strength by exercise of personal choice wherever possible and by intellectual mastery of events as they happen.

Bettelheim presents his experiences during incarceration at Dachau as a case study in support of his hypothesis that survival in the face of extreme coercion and deprivation depends upon maintaining this intellectual grasp of the situation plus strong inner convictions about one's self and one's ultimate goals and values. He suggests that reason alone is insufficient for the task—that it requires "heart" or love stemming from personal relationships which have been satisfactory in the past.

Since this book is primarily a philosophical discourse on the nature of man and personality in the face of totalitarian oppression, methodological criticism may be inappropriate. A psychoanalyst would be expected to focus on ego maintenance as a problem of the individual. Unfortunately, "heart" is some residual quality which is never defined in the book nor is it mentioned in the index. Why not examine primary group support as a factor in preservation of individual autonomy? The remarks of Eugene Kogon, Elmer Luchterhand, and others concerning the success of group efforts to survive as practiced by communists, and Bettelheim's own comments concerning Jehovah's Witnesses, "old prisoners," and Jewish bricklayers suggest that effective organization among these groups provided the best means to preserve the ego and life itself.

Lewis Rhodes  
Southern Methodist University

WILLIAM J. BLOCK: *The Separation of the Farm Bureau and the Extension Service: Political Issue in a Federal System*. Urbana, The University of Illinois Press, 1960. 304 pages. \$5.00.



From 1920 to 1954 the three major farm organizations of the nation were in conflict, the National Grange and the Farmers Union being opposed to the American Farm Bureau Federation. The cause of the conflict was the formal sponsoring agreements which existed in about half of the states between the Farm Bureau and the Extension Service. In effect the county agent worked for both the government, through the Extension Service, and for the local sponsoring Farm Bureau.

The author has made a thorough study of the conflict, with detailed references to the Congressional Hearings, magazine articles, and comments by governmental and farm organization leaders on the subject. The text is well substantiated by footnotes and a ten-page bibliography.

Formal separation of the county agent's work from that of the local Farm Bureau was not assured until Secretary of Agriculture Benson issued his Memorandum No. 1368 on November 24, 1954. This memorandum directed that no employee of the Department of Agriculture, which was interpreted to include the county agents, could henceforth receive free office space or contributions for salary or traveling expenses from any farm organization. County agents were also directed not to solicit members for any general or specialized organization of farmers. Secretary Benson was a friend of the American Farm Bureau Federation. This organization had decided by 1954 that the liabilities of formal sponsorship of the Extension program exceeded the advantages, and evidently had agreed in advance to Memorandum No. 1368.

A state court decision in Kansas, in 1950, had ruled that separation of the

Extension program from state or national Farm Bureaus was mandatory. Largely as a result of this decision the legislatures of Minnesota and West Virginia directed separation, in the latter state with Farm Bureau support. The political struggles over separation in Illinois and Alabama were two of the most interesting for students of pressure-group activities.

The author states that his study is "an account of discontinuous, sometimes unorganized, and uncoordinated activity revolving around agricultural policy issues, and particularly around that of separation of the Farm Bureau and the Extension Service." The reviewer found that the author also presented his material in a rather discontinuous and unorganized manner. Consequently, the reader will find the book to be slow and tedious to read. The content is most interesting and valuable, however, for persons concerned with either farm policy or pressure-group activity.

Comer Clay  
Texas Christian University

HAROLD M. COURLANDER: *Shaping Our Times: What the United Nations Is and Does*. New York, Oceana Publications, 1960. 242 pages. \$3.50.

One of the main faults of Mr. Courlander's book is its title. "Shaping Our Times: What the United Nations Is and Does" suggests a far more ambitious evaluation than he has even attempted. The introduction (by Alfred Katzin of the UN Public Information Office) compounds the misconception. It argues, among other things, that the author "sees the United Nations story as a segment of a broad story of interna-

tional and humanitarian relations between contemporary peoples of different cultural and linguistic backgrounds."

Mr. Courlander's purpose is much more modest: briefly to describe "what the United Nations is and does." This limited purpose has been achieved. The standard aspects of the subject are covered. Anyone wanting a brief, up-to-date survey of the first fifteen years of the UN will find it here.

He is not likely, however, to be very excited by it. Mr. Courlander's account is, in general, a pedestrian one. It smacks of the handbook or the primer. It contains a number of superficial but doggedly complete summaries—as, for example, of the content of the UN's Declaration of Human Rights. Only rarely does it go beyond a tedious listing of many of the things that the United Nations has done.

It is difficult to know who will want to read this book. The specialist will learn little. Data given are fairly common; insights are few. The layman will probably be bored. The author is at his best in discussions of "the rights and freedoms of peoples" and of "United States responsibility and special problems." Most of the rest is simply not very interesting.

A special note of condemnation must be reserved for the book's weird "selected reading list." It lists publications from only the UN itself, the Carnegie Endowment, and Oceana. These are doubtless other volumes that the publisher of this book desires the interested reader to buy first. The limited list should have in some fashion been so labeled, or omitted altogether.

Mr. Courlander's work is at least competent. His publisher has done him

no good service in title, introduction, or bibliography.

Keith S. Petersen  
University of Arkansas

RICHARD A. WEBSTER: *The Cross and the Fasces*. Stanford, Stanford University Press, 1960. 229 pages. \$5.00.

HWA YOL JUNG: *The Foundation of Jacques Maritain's Political Philosophy*. Gainesville, University of Florida Press, 1960. 65 pages. \$2.00.

JAMES R. CAMERON: *Frederick William Maitland and the History of English Law*. Norman, University of Oklahoma Press, 1960. 214 pages. \$4.00.

These three small works, all products of university presses, will attract the attention of a broad spectrum of scholars in the social sciences. Diverse though they are in subject matter they have in common a felicity of style and a scholarly tone which will assure them a favorable reception.

Of the three *The Cross and the Fasces*, also published in England under the title *Christian Democracy in Italy 1860-1960*, is the most significant. In essence the author traces the evolution of the Italian Christian Democratic Movement from the development of the first Catholic groupings in 1870 to its present dominant position. The story is a complicated one involving an analysis of the internal tensions within the movement between its conservative, hierarchically dominated wing and its liberal, independent wing. The author, basing his work upon a patient and careful researching of the Italian sources, succeeds in bringing order out of confusion and in presenting the first comprehensive and intelligible analysis of

Italian Christian Democracy available in English. Of special interest are his observations on the role played by the Papacy, the Jesuit Order, the northern industrialists, and the intellectuals in the formulation of the movement's tactics and strategy. His treatment of the character and evolution of De Gasperi as a political leader and his relation to the Vatican and the Fascist movement is of interest. The appended notes and bibliography are invaluable to the American student and enhance the usefulness of an eminently solid book.

Jacques Maritain's prolific writings are well known to both philosophers and political theorists. The latter, however, have often been forced to approach Maritain's political writings *sans* a clear understanding of his basic philosophical system. The author seeks to fill this lack by summarizing the essence of Maritain's philosophical thought. While Maritain is basically a Thomist, and thus also an Aristotelian thinker, he has developed concepts of his own in an endeavor to make the theoretic tradition intelligible to twentieth-century minds. In so doing, chiefly in his philosophical treatises, he has evolved a system in which a technical narrowness of definition enveloped in a turgid, stylized language, has discouraged all but the most dedicated professional scholars. Nonetheless an understanding of his basic concepts is indispensable for a full appreciation of the meaning of his more popular political writings. Dr. Jung has attempted with remarkable success to illuminate this difficult area and although generally favorable to Maritain's position he does not hesitate to point out inconsistencies and difficulties in the master's exposition. His discussion of Maritain's dis-

tinctive use of the terms *person* and *individual* as well as his treatment of *power* and *authority*, are illuminating. The general reader will leave the book better equipped to understand the Maritain methodology and to realize that the Thomistic approach, despite its careful distinctions and exceptions, culminates in a hierarchical order in which the State and its supporting philosophy must inevitably be subordinate to the Church and its theology. The author's view of his subject is summarized as follows: ". . . Jacques Maritain is primarily a Christian theologian who utilizes political philosophy for theological purposes and, without contradiction, theology for political purposes."

The name of Maitland has been a household word for generations of political and legal historians. To date no comprehensive biography of Maitland has been written nor indeed any critical analysis of his stature as a scholar undertaken. Professor Cameron has taken a step in this direction by presenting not a biography of Maitland but a summary of his chief contributions to the study of the history of English Law.

As Professor Cameron points out, Maitland's genius lay in his painstaking mining of early English legal sources. To his enthusiasm we owe the foundation of the Seldon Society, and he himself edited the first of the *Year Book* series which appeared under its auspices. Of equal importance was his edition of Bracton's *Note Book*, and political theorists will remember him for his introduction to Von Gierke's political writings and translation of portions of them. His *History of English Law to Edward I* remains substantially unrivaled to this day, while his monograph on *Roman Canon Law in the Church of*

England decisively put to rout misconceptions on this problem current in his time. When he turned to the broader problems of the origin of the village and the distinction between borough and township, his hand lost some of its skill and certain of his conclusions have not been sustained by subsequent scholars.

By and large Maitland's scholarly reputation has been enhanced by the passage of time but it is in the inspiration he provided to younger men that his chief claim to fame lies. A whole host of English and American writers have taken their clue from Maitland, often from a chance aside in his works, and have continued to enrichment of our knowledge of England's past until today we possess one of the best-documented histories of legal institution found amongst Western peoples. By recalling Maitland's contributions Professor Cameron has rendered us a valuable and needed service.

H. Malcolm Macdonald  
The University of Texas

MAX KAPLAN: *Leisure in America: A Social Inquiry*. New York, John Wiley and Sons, 1960. 350 pages. \$7.50.

The pervasive assumption upon which this work is structured is that we are living in an age of leisure. In the first instance, then, this characterization is a pleasant *divertissement* from the psychologist's admonition that it is an age of anxiety! More important, Dr. Kaplan has denuded his characterization of all implicit value judgments. The age of leisure which the author describes is neither good, nor bad. It is simply a fact of contemporary existence.

Kaplan's inquiry and analysis are essentially descriptive rather than prescriptive.

The first eleven chapters, which constitute half the study, are concerned with the fundamental social phenomenon of leisure. The author shows that leisure is as basic to culture as are the traditional sociological variables. Leisure, as defined in terms of an ideal construct by the author, is inextricably interactive with work, personality, the family, social class, subcultures, the community, the state, and religion. It cannot be analyzed independently of these social realities. Indeed, Kaplan feels that leisure powerfully influences our values. To support this notion, the author has summarized most of the available research on leisure.

A major portion of the second half of the book is an analysis of types of leisure. Again, the author has used an ideal typology: sociability (leisure relating to other persons, as such), distinct from association; game (structured by rules), distinct from (creative) art; and movement ("going to the world"), distinct from immobile leisure. Each of these types is considered in relation to the variables treated in the earlier part of the book.

As a whole, the work is elaborately drawn: its major shortcoming is in its extensive treatment of familiar concepts (culture, for example). On the other hand, Dr. Kaplan is careful to bring our attention to elements of leisure which we may otherwise have overlooked (the common qualities between play and religion, for instance). In all, the book represents a major attempt to organize and systematize a body of data that has hitherto been fractionalized. As such, it gives both impetus and di-

rection to studies of leisure for the future. The import of the monograph for social scientists lies in this insight which it provides for future investigation. In Chapter 18, building on his earlier treatment, the author develops several working hypotheses relating personality types, leisure types, and social-control types. Briefly, he affirms that different types of people are influenced by related types of controls; further, certain types of controls are more prevalent in certain types of leisure activities; and finally, certain types of people engage in certain types of activities. Dr. Kaplan virtually challenges his fellow social scientists to explore the merits of these hypotheses.

Martin R. Morris  
Brooklyn College

**BEN KIMPLE:** *The Principles of Moral Philosophy*. New York, Philosophical Library, 1960. 234 pages. \$3.75.

Professor Kimple's book is an exhortation, an invitation to serious reflection as the prologue and condition of moral living. Moral philosophy is constituted by earnest and guided reflection on the concrete facts, social and personal, of life as it is actually lived. Such reflection results in the clarification of moral principles: patterns or types of living which serve to enrich human life, both for ourselves and for those with whom we live. These patterns must not only be recognized, but recognized as achievable, as within the range of human potentiality. They must then be utilized in the concrete moment of moral decision.

In the course of elucidating these basic ideas, Professor Kimple encounters the historical systems of moral philosophy. He meets and offers balanced

and cogent criticisms of Kantianism, Utilitarianism, Hedonism, and Positivism. The discussion of Positivism brings up the matter of semantic analysis. Kimple is concerned with this question and concludes that the task of clarification of moral concepts and vocabulary is of very vital importance to a moral philosophy. But he insists that beyond the work of semantic analysis there is the more important problem of the empirical verification of moral assertions. He writes: "the criterion of the moral worth of reflecting, and so of moral philosophy is empirical; it is its instrumentality for clarifying problems which are encountered in actual living."

Thus, Kimple escapes the aridity of pure semantic analysis of moral terms which has desiccated so much of contemporary moral philosophy. He asserts an "empirical" moral philosophy. However, this valuable assertion is weakened precisely by lack of clarity in the use of the key term, "empirical." The meaning is quite clear in two major points of Kimple's thesis: the experience or "empirical fact" of such moral entities as conscience, acts of choice, obligation, and the need of the "empirical" behavioral sciences to indicate what is useful and beneficial in human life. Both of these points are well taken. If, however, empirical justification is the test of the validity of moral principle, it may be asked what clear, empirical content can be given to the basic principle and ultimate criterion of Kimple's moral philosophy, "do whatever is most for the enrichment of human life, both your own and others'." As an abstraction, such an imperative gains quick assent; as a realistic policy of action in moral matters, it is open to all of the debate and discussion which compose



the history of moral philosophy from Aristotle to Ayer. Both of the sources of empirical fact to which Kimple appeals reveal facts, report *what is*; neither, in the last analysis, can indicate what *should be*. To assert, as Kimple seems to do, that behavioral science can manifest desirable states of human life, remains to be proved.

Professor Kimple's book is to be commended for the precise criticism of some prevalent, but inadequate, moral philosophies, for its recognition of the truly "empirical" nature of moral facts, for the earnest call to serious moral reflection. Its major deficiency, which left this reader with a sense of mild frustration, is its indecisiveness and failure to come to grips with the radical nature of the moral person. Professor Kimple asserts that both a philosophy of knowing and a philosophy of reality must underlie moral philosophy. This is excellent advice; one feels that the author does not sufficiently employ it.

Albert R. Jonsen  
Alma College

LINWOOD P. GOULD: *The Price of Survival*. Washington, Public Affairs Press, 1959. 96 pages. \$2.50.

SYLVAN GOTSHAL: *Together We Stand*. Washington, Public Affairs Press, 1959. 77 pages. \$3.50.

These books are concerned with the problem of American security. Gould focuses upon the general problem of survival. His theme is that fundamental changes must be effected in the American people's attitudes toward the outside world, comprehension of the dangers to our survival, and will to meet these dangers. To facilitate these changes, he analyzes contemporary

world affairs and the sources of public misunderstanding about them, and he postulates a "philosophy for survival" designed to bolster our moral and intellectual capacities for positive and responsible action. Gotshal is concerned with the more narrow problem of maintaining harmonious relations between the United States and France. By providing an historical analysis of Franco-American friendship and mutual support, he seeks to remind the American public of our traditional ties with France and thereby enhance the spirit of cooperation on this side of the Atlantic.

Gould's theme has been reiterated many times since the development of the Cold War. The real problem to him, however, is to reduce it to "the simplest and most basic terms possible" so that public understanding will be possible. By compressing an analysis of the many facets of the Cold War into a scant thirty-four pages the author certainly meets his own criterion. The inevitable result is oversimplification. Despite this, his presentation is sufficiently clear and succinct to be of some value to the general lay reader.

The author's "philosophy of survival" is another matter. Questions concerning moral and intellectual capacities do not lend themselves to simplification. Consequently, the "philosophy" consists primarily of platitudes and generalities which shed little light on the main issues. Two examples will have to suffice. Gould proposes a public comprehension of the principles of "brotherly love," "enlightened self-interest," and "agreement-cooperation," but he does not indicate clearly what these concepts mean or how they can be achieved, nor does he consider the possibility of conflict among these princi-



ples. He proposes the use of the "scientific method" in research and dissemination of information as the means for public enlightenment, but he does not consider the possibility that the crisis in our national character might be attributable in part to the "scientific method" and its ramifications. In short, by simplifying highly complex problems, Gould's "philosophy" is as apt to confuse and distort the public's conception of the modern world as it is to provide enlightenment.

In his treatment of Franco-American relations, Gotshal pictures an unbroken line of friendship and cooperation from the American Revolution to the present. Only in the face of current crises has this line wavered. In assessing the blame, the author finds that France has pursued policies which serve Western interests best and that the United States has erred in failing to appreciate and support France's endeavors. Necessity demands, therefore, that we reorient our policies in the directions that France has pointed. In particular, we should support French efforts to retain control of Algeria, we should support French opposition to cessation of nuclear testing, we should share nuclear information with Paris, and we should avoid the kind of decision we made in the Suez crisis of 1956.

Here again, the value of an over-simplified analysis of a complex problem can be questioned. In this case, the difficulty is compounded by the polemical nature of Gotshal's study. It is highly doubtful that French and American interests on all issues have coincided or will coincide. To base an analysis upon this assumption leads to distortion. Therefore, whether such a study leads to

real public enlightenment is at best problematical.

Robert Franklin Smith  
Skidmore College

NORMAN A. POLANSKY (ed.): *Social Work Research*. Chicago, Illinois, The University of Chicago Press, 1960. 306 pages. \$5.00.

For a profession which has had reasonably good standing for a half-century it may be rather surprising to acknowledge that this is the first compendium on method and methodology in social work research. As such, it is a true milestone in the profession's efforts to bring together research and practice as a working team. It is a natural outgrowth of relatively recent changes in social work education which is now seriously encouraging students to secure advanced training in research. Prior to such time it could be contended that efforts to conduct meaningful research in social work invariably were rather unproductive. Social workers were wary of a process they little understood. Researchers, drawn from other fields, did not know enough of social work to formulate appropriate study questions.

Some of the contributors to this book are not trained social workers. However, they were exceptionally patient and persistent and developed a reasonable "know-how" in social work as they labored jointly with social workers over the years in their efforts to apply their special skills to problems in this field. Just how "good" they have become at this task is well reflected in their articles contained in this book.

The book is advertised as being written for the use of student social workers,

practitioners, experienced researchers, and colleagues in other disciplines. This may improve its marketability but it does not improve its focus. The authors doubtlessly provide something of substance for their several audiences but have left each somewhat expectant and unfulfilled. This is because the book is, in a sense, a collection of essays concerning study design, principles of research and measurement, and specific problem-solving activities. Portions of the book remain extremely important and valuable to each group of potential users, but some parts of the book may be beyond or below the competence and interest of each group.

It is a very good pioneer textbook for student social workers. Clearly and concisely written, it presents an excellent picture of the status and extent of current social work research.

The editor has noted that the authors have done something rare in the preparation of "compilations." They "have accepted assignments and have produced new writings in terms of them." This is true—and the result is a book of wide and, at points, intense appeal for social work research producers and research consumers alike.

It is another "must" reading for social workers.

*Morris Kagan*  
*The University of Texas*

WILLIAM H. SEWELL and OLUF M. DAVIDSEN: *Scandinavian Students on an American Campus*. Minneapolis, University of Minnesota Press, 1961. 122 pages. \$3.50.

This study is one of a series of monographs sponsored by the Committee on Cross-Cultural Education of the Social

Science Research Council. The book is well organized and written in concise terminology. The background introduces the reader to the research design employed, the purposes of the study, and the findings, vividly described. The theoretical scheme adopted in this study is that the sojourner (in this case the Scandinavian student in the United States) is assumed to be "situated psychologically within and between two cultural systems."

The specific objectives of the study were (1) to obtain information about the academic and social adjustments of the students, (2) to get information about the content and feeling tones of the visiting students' impressions during their visit, (3) to examine the relationship between factors in the students' background which together and separately might influence the students' adjustments, satisfactions with visit in the United States, and images and impressions of the United States, (4) to discover possible leads for further research, and (5) to make tentative suggestions for the guidance of student exchange.

The conclusions and implications based upon the findings in the study were presented in a straightforward manner, but the authors cautioned several times that these findings should be considered suggestions for a relatively new field of scientific research rather than established facts. In general, the Scandinavian students adjusted easily to the academic environment and made rapid academic improvement. These students received the impression that American norms centered on the concept of superficiality, and in contrast to their preconceptions, the people of America had yielded to a mass culture

where conformity was of prime importance. The participants in this study came into the country with generally favorable views of the country and left with impressions which were also primarily favorable. Often favorable impressions gave way to less favorable ones during the early period of adjustment in this country.

This book represents a scholarly contribution in the area of exploratory inquiry with reference to the exchange student.

Reba M. Bucklew  
Texas Woman's University

JOHN T. THOMPSON: *Public Administration of Water Resources in Texas*. Austin, Institute of Public Affairs, The University of Texas, 1960. 172 pages. \$2.50.

Mr. Thompson's thesis on the Texas water problems is the most readable, informative, and objective publication on the subject to appear. The book presents a well-written, well-supported analysis of the Texas water problem, including a clear indication of vested interests and the locus of responsibility.

The reader without training or experience in law will be interested in the heroic struggle to rationalize water rights which continued between the legislature and the courts, and in which the courts won round after round until their adversary gave up in frustration. He will be shocked to learn that in the struggle to maintain chaos the courts resorted to use of the legal principle of *stare decisis*, which means "if you make a wrong decision for goodness sake stick by it."

Students of political science and pub-

lic administration will find this book a significant, detailed case study of problems common to many economic regions. Among these are the crisis in resource development caused by a failure to develop concepts of regional planning and administration to meet a regional problem and the indispensable nature of leadership at the highest level.

Economists struggling with problems of economic analysis of complex water resource development problems will find a model of an economic analysis made within a political framework.

Supporters of free untrammelled inquiry will applaud this evidence of social scientists turning their attention to a most difficult, controversial, and bitterly contended issue where they can make a unique and indispensable contribution.

Mr. Thompson's objectivity and clarity on complex subjects of law and political administration are exemplary. In analysis of government agencies, politics, and administration he lets the facts speak, and they do quite eloquently. This book induces one to think about the general problem of making representative government work at the regional level. An answer suggested by the book, albeit inadvertently, is that the missing component in the past was objective scholarly research.

The conclusion is optimistic. The only reason that I can see for optimism is the possibility that this excellent publication will catalyze legislators, lawyers, administrators, students of the problem, and the public to start again to show that Texas can do as well as New York and California in working toward a rational solution of its water problems.

Frederic O. Sargent  
Ontario Agricultural College

DELBERT F. BROWN (ed.): *The Growth of Democratic Government*. Washington, Public Affairs Press, 1959. 117 pages. \$3.25.

J. MALCOLM SMITH and CORNELIUS P. COTTER (eds.): *Powers of the President during Crisis*. Washington, Public Affairs Press, 1960. 184 pages. \$5.00.

The first of these books is a stimulating little volume; however, the title, "The Growth of Democratic Government," is hardly suggestive of the contents of the book. Its thesis is that democratic government tends inherently towards weakness, that democratic nations must adopt the best methods of organization if they are to avoid failure. After examination of the development and functioning of the British Cabinet system (the majority system), after analyzing the causes of the failure of second-ballot parliaments and of the experiments with proportional representation, and after weighing the American Presidential government in the balances, the author concludes that the British Cabinet system brings to administration experienced leaders who are at all times responsible to Parliament for their policies and yet the Cabinet has effective control over its proposed legislation, and is, therefore, superior to the American Presidential system which "fails to provide for a chain of promotion to high office."

Little argument will be heard against the author's view that if democracy is to hold the ground that it gains it must be organized for maximum effectiveness, efficiency, leadership, and strength. Most readers will agree that the author makes out a good case against the American political system. Yet one

wonders if there is any hope for a change in the organization of our Presidential system?

The book by Smith and Cotter is a well-reasoned, well-written, well-documented treatment of the emergency powers of the President. The first two of the eleven chapters lay the theoretical basis and define the problem. The next five chapters reveal what has been done by the Congress in granting the President the power to act in a crisis. The next three concern the heart of the problem—the restraints on the emergency powers. The thesis of the book is that there must be power to meet emergencies but that a sure-fire check upon the abuse of such power is needed, for there is a great temptation to "use emergency as a shibboleth for the legitimizing of actions desired by influential groups." Therefore, the very crux of the problem of maintaining democratic government is making administrative officials responsible. Few would deny the conclusion that "we must repose a certain amount of faith in the basic integrity and wisdom of the Chief Executive." The conclusion of this book and that by Delbert Brown is the same, namely that the proper organization of the American system is essential "to give the strength and responsibility to insure the success of democratic government."

A. P. Cagle  
Baylor University

LOWRY NELSON: *The Minnesota Community: County and Town in Transition*. Minneapolis, University of Minnesota Press, 1960. 175 pages. \$4.25.

Of interest to workers in the various social sciences is this volume concerning

the people of Minnesota, their diverse backgrounds, and their growth from the time of the original settlers to the present. The historian will enjoy the capsule of nearly two centuries of exploration, settlement, and development. The economist will find an interesting analysis of the basic and emergent activities of the people, while the sociologist will find this an excellent study of a people's institutions. The political scientists will find much of interest in the development of political institutions, beliefs, and a stubborn adherence to the "heritage," despite urbanization and changes in the life of a population traditionally agricultural save for two major metropolitan areas.

The study gives careful consideration to the Old World backgrounds of Minnesota's people and the relatively permanent influence of these on the institution of the family and on inter-group relationships, including those influenced by religious tenets. The author points to the fact that "the future will be (and must be) different," because of advancing farm technology, attraction of rural young people to the cities, changing industrial and commercial activities, and the intimacy arising from advances in communication. All of these and other factors must condition new thinking about our common agent, Government. He concludes that there must be an integration of town and country, a recognition of the truism that "Government is a means to an end, and not an end in itself," despite his earlier citation of universally accepted agreement that attitudes toward traditional governmental structure resist change as in no other institutional area.

Although this study is confined to one state, students of changing society

and its institutions will find in it reminders of specific areas of investigation which must be completed before they will be equipped to teach and lead in their own states or regions. People must move to cope with a new frontier crying for adequate political, economic, and social machinery to develop a fuller gratification of man's aspirations.

David W. Knepper  
*The University of Houston*

ROBERT E. QUIRK: *The Mexican Revolution, 1914-1915: The Convention of Aguascalientes*. Bloomington, Indiana University Press, 1960. 325 pages. \$6.75.

Quirk's account of the Aguascalientes Convention combines scholarship and literary skill in the finest traditions of historical writing. Without question his work is the most thorough and the most objective appraisal of this critical period of the Mexican Revolution to appear either in English or in Spanish. It will remain the standard volume on the period for many a year.

The author's smooth style and fast-moving pace makes for pleasant reading. He sketches the major characters in sharply pointed vignettes when they first appear, and develops them more fully as they play out their respective roles. Carranza he classifies as "a man of property. . . impeccably honest and insufferably conscious of his own rectitude" who "said, wrote, perhaps even thought, little that was important or worth remembering. He was bourgeois mediocrity incarnate." Villa "was all that Carranza was not: virile . . . , earthy, passionate, given to emotional outbursts." Zapata was "incredibly naive, a rustic . . . , a simple hearted



countryman with little chance or concern to influence . . . the revolution."

Obviously, Quirk does not belong to the deterministic school that sees the individual swamped in the mad rush of the mob, the inexorable movement of economic forces, or some other laws of social development. Neither does he adhere to the "Hero" school of historical writing. However, at several crucial moments, he insists that the individual will is paramount. Villa's decision to break with Carranza in September of 1914 just prior to the meeting of revolutionary chiefs he terms "one of the most decisive actions of the revolution." Similarly, he points up the importance of individual decision in Obregón's narrow escape from Villa's death sentence. And finally he ascribes Obregón's momentous victories over Villa in 1915, not to mass movements or chance, but to the simple fact that Obregón learned to use the new techniques of warfare current in Europe while Villa did not.

Refreshing too is Quirk's balanced account of U.S.-Mexican relations. Critical though he is of Wilson's misreading of Mexico, the author gives credit where deserved. Explaining that Mexican law provided for severe punishment for those who collaborated with an invading force, Quirk demonstrates that U.S. military officers occupying Veracruz were forced to take over all aspects of city government. Under the occupation the city became "a model for efficient graftless government under a benevolent military dictatorship." He adds: "Veracruz was infinitely better off when the American troops left than when they had come."

Karl Schmitt  
The University of Texas

LEROY BOWMAN: *The American Funeral*. Washington, Public Affairs Press, 1959. 181 pages. \$4.50.

The painstaking studies in this book indicate that it is high time the American people took a careful look at their funeral "complex" with a view toward making it "more commensurate both with the spirit of man and with the high mystery of death."

Dr. Bowman took this careful look in a five-year study which involved the observation of funerals and associated activities, the interpretation of four hundred responses to a questionnaire, and interviews with representatives of all groups having any connection with or interest in the American funeral. The result is a carefully written and dependable document.

The author reports that current practices with respect to funerals fall far short of providing adequate meaning to family and friends; prompt and simple disposal of the remains of the departed one, which could often make expensive embalming unnecessary; and adequate interpretation of the departed life in terms of its "social, ethical and spiritual" significance. He finds, also, that the American public has largely abrogated its responsibilities with respect to funerals and, consequently, permitted funeral directors to overemphasize the importance of "restoring" the body for public viewing and to unwise emphasis upon high-cost and lavish funerals as a spurious means of demonstrating the social status of the family of the deceased.

To improve the American funeral in the interest of lower costs and more social and spiritual meaning the author



suggests the creation of an independent commission to conduct comprehensive hearings at which "clergy, educators, social workers, officials of funeral societies of fraternal, church or other affiliation, and the medical schools and research institutions" are fully represented. Fields of research which this commission might pursue, says Dr. Bowman, are: the style and cost of funerals in relation to their fundamental purpose and the ability of the customer to pay, social security and public assistance, the licensing of funeral directors, the lobbying activities of funeral associations, the education of morticians, personal counseling of families deeply disturbed by death and the economics of cemetery corporations.

Obviously, all agencies, says Dr. Bowman, should contribute to making the American funeral an occasion for lessening anguish and for spiritual uplift. In judging current practices Dr. Bowman suggests there is much room for improvement.

Leslie D. Zeleny  
Colorado State College

JANE AND BILL HOGAN (eds.): *Tales From the Manchaca Hills: The Unvarnished Memoirs of a Texas Gentlewoman, Mrs. Edna Turley Carpenter*. New Orleans, The Hauser Press, 1960. 221 pages. \$4.95.

"Keep your bowels open and your mouth shut." This is only one item of wisdom in Mrs. Carpenter's highly readable reminiscences. It is a kind of climax to her husband's hospital experience known as "The Big Bowel Movement." Tommie Carpenter owned a farm and a gin and the biggest house

in Manchaca and was the main citizen of that village, a few miles out in the hills from Austin, Texas. He believed in morphine for unbearable pain, in whiskey for bearable pain, and in homeopathic pills for about everything else. A great friend of the Negro people, called "nigger lover" by some, he often jested with them. One time when he asked a newly-wed colored girl how she liked married life, she testified: "Fore God, Mista Tommie, I can't tell no difference."

Mrs. Carpenter is as original as anybody she tells about, and she tells about real people in a real way. There was Aunt Mary, who broke her husband of gambling and getting drunk by sewing him up in his bedsheets while he snored and then giving him the buggy whip cure. She does not have a worshipful attitude toward "the holy, general public." She uses such similes as "the speed of a lizard in love" and "uncomely as a toad." When in the fall of 1893 she left Manchaca for Sam Houston Texas State Normal College at Huntsville, "Ma bitterly remarked when she saw my trunk being carried out of the house, 'It's just like they're taking your coffin out.'" At that time she had never met a woman who had gone to college. Hangings were still public at Huntsville and were recommended as examples to the male population of the college although the females did not attend. Also there were no college courses in Education specializing on life "adjustment" and the like.

"Miss Edna's" unvarnished chronicle, humorous, comfortable, refreshing, has not been debilitated by ideas of respectability on the part of her daughter Jane and her son-in-law Bill Hogan,

who is chairman of the History Department at Tulane University and is well known for his book "The Texas Republic," which, like "Tales from the Manchaca Hills," is social history. I believe absolutely everything Miss Edna says but must confess exercise of will power in agreeing that she was once chased by a coachwhip snake.

J. Frank Dobie  
Austin, Texas

ROBERT LEE SAWYER, JR.: *The Democratic State Central Committee in Michigan, 1949—1959: The Rise of the New Politics and the New Political Leadership*. Ann Arbor, Institute of Public Administration, University of Michigan, 1960. 280 pages. \$3.50.

In the last decade political scientists have set out in earnest to study political institutions and political processes in the states. A handful of books and a remarkable number of articles and monographs have been published. A considerable portion of this new concern undoubtedly traces to the work of V. O. Key, Jr., especially his *Southern Politics* (1949) and *American State Politics: An Introduction* (1956). Robert Sawyer's study of the Michigan Democratic Party—concentrating on the characteristics, outlook, and activities of its recent leadership—is a useful and instructive addition to the burgeoning literature of this field.

Briefly, what Sawyer has sought to do is to describe and account for the new style of politics and the new style of politician which have given the Michigan Democratic Party an unmistakable

virility and momentum. The study is based on numerous interviews with "top" and "middle" party leaders, questionnaire data, direct observation of the State Central Committee and Executive Board, and the usual government and newspaper sources.

Much of the material of this book is descriptive and factual, and if the author's approach does not break away from the familiar and conventional questions in political analysis it nevertheless yields a wealth of information on one state's politics.

The new politics in Michigan is compounded of (1) an issue-oriented party (especially noticeable in the top leadership) committed to "equalitarianism" and "positive government"; (2) a more vigorous, unified party organization, actuated more by impulses of policy than of patronage; (3) a new breed of party activist; (4) a high degree of programmatic unity within the party, due in considerable measure to the influence of organized labor and Negro groups; (5) a fresh emphasis upon widespread participation in party affairs; and (6) the emergence of rural and small-town support for the Democratic Party. These factors add up to striking electoral success, though the relative contribution of any one is largely a matter of conjecture.

This study is rich in statistical detail. Of special interest is the chapter which examines the demographic characteristics of the party leadership. In the judgment of this reviewer, this is a very worth-while volume—one whose scope is somewhat broader than its title suggests. It should find a comfortable niche in the literature of state politics.

William J. Keefe  
Chatham College

NORMAN GREENWALD: *The Mideast in Focus*. Washington, Public Affairs Press, 1960. 86 pages. \$2.50.

Here is an unusually objective account of current public problems in the Middle East, with a bit of history thrown in. The commentary ranges over the nature and significance of the religious communities, Arab nationalism, the cold war, the Arab-Israeli conflict, Nasserism, and economic problems and developments. Considering its brevity, it contains an amazing amount of specific, accurate information, thus making it a worth-while guide for speakers and lecturers. This appears to be its chief merit, since it is too brief and broad to contain information needed for substantial research. It is not indexed.

John Paul Duncan  
University of Oklahoma

## Other Books Received

September, 1961

Aaron, Daniel: *Men of Good Hope: A Story of American Progressives*. New York, Oxford University Press, 1961. 329 pages. \$1.95.

Alexander, Fred: *The Record of an Independent Investigation: Canadians and Foreign Policy*. Toronto, The University of Toronto Press, 1960. 160 pages. \$3.95.

Bayitch, S. A.: *Latin America: A Bibliographical Guide to Economy, History, Law, Politics, and Society*. New York, Oceana Publications, 1961. 335 pages. \$12.50.

Bell, Earl H.: *Social Foundations of Human Behavior: Introduction to the Study of Sociology*. New York, Harper & Brothers, 1961. 612 pages. n.p.

Berger, Carl: *Broadsides and Bayonets: The Propaganda War of the American Revolution*. Philadelphia, University of Pennsylvania Press, 1961. 256 pages. \$5.00.

Black, Max (ed.): *The Social Theories of Talcott Parsons*. Englewood Cliffs, New Jersey, Prentice-Hall, Inc., 1961. 363 pages. \$6.75.

Blair, C. P.: *Economic Growth Projections for the Dallas-Fort Worth, and Houston Trading Areas*. Austin, Bureau of Business Research, The University of Texas, 1961. 121 pages. \$2.00.

Brownjohn, J. Maxwell: *The Living Past*. New York, Capricorn Books, 1961. 444 pages. \$1.95.

Cressey, Donald R. (ed.): *The Prison: Studies in Institutional Organization and Change*. New York, Holt, Rinehart and Winston, Inc., 1961. 392 pages. \$6.00.

Dangerfield, George: *The Strange Death of Liberal England*. New York, Capricorn Books, 1961. 449 pages. \$1.75.

Davis, John P.: *Corporations: A Study of the Origin and Development of Great Business Combinations and of Their Relations to the Authority of the State*. New York, Capricorn Books, 1961. 280 pages. \$2.45.

Davis, Kenneth R.: *Marketing Management*. New York, The Ronald

- Press Company, 1961. 824 pages. \$8.00.
- Dewey, John: *Democracy and Education: An Introduction to the Philosophy of Education*. New York, The Macmillan Company, 1961. 378 pages. \$2.45.
- Donaldson, Elvin F., and John K. Pfahl: *Personal Finance* (3rd ed.). New York, The Ronald Press Company, 1961. 717 pages. \$7.50. (plus manual)
- Duncan, Otis Dudley, Ray P. Cuzzort, Beverly Duncan: *Statistical Geography: Problems in Analyzing Areal Data*. Glencoe, The Free Press, 1961. 191 pages. \$6.00.
- Elliott, Mabel A., and Francis E. Merrill: *Social Disorganization* (4th ed.). New York, Harper and Brothers, Publishers, 1961. 795 pages. n.p.
- Erasmus, Charles J.: *Man Takes Control: Cultural Development and American Aid*. Minneapolis, University of Minnesota Press, 1961. 365 pages. \$6.50.
- Etzioni, Amitai: *Complex Organizations: A Sociological Reader*. New York, Holt, Rinehart and Winston, Inc., 1961. 497 pages. \$6.75.
- Feldman, Egal: *Fit for Men: A Study of New York's Clothing Trade*. Washington, D.C., Public Affairs Press, 1960. 138 pages. \$3.25. This title was mistakenly entered under the name of the illustrator, Thomas C. Cochran, in the June, 1961, issue of the *Quarterly*.
- Francis, Roy G.: *The Rhetoric of Science: A Methodological Discussion of the Two-by-Two Table*. Minneapolis, University of Minnesota Press, 1961. 183 pages. \$4.75.
- Frey, Albert Wesley: *Advertising* (3rd ed.). New York, The Ronald Press Company, 1961. 600 pages. \$7.50.
- Gilbert, Allan: *The Letters of Machiavelli: A Selection of His Letters*. New York, Capricorn Books, 1961. 252 pages. \$1.65.
- Gimbel, John: *A German Community under American Occupation: Marburg, 1945-52*. California, Stanford University Press, 1961. 259 pages. \$5.50.
- Hagan, William T.: *American Indians*. Illinois, The University of Chicago Press, 1961. 190 pages. \$4.50.
- Harris, Joseph P.: *California Politics*. Stanford California, Stanford University Press, 1961. 78 pages. \$1.35.
- Hill, Johnson D., and W. E. Stueremann: *Philosophy and the American Heritage*. New York, New York Philosophical Library, 1961. 254 pages. \$3.50.
- Janowitz (ed.): *Community Political Systems*. Glencoe, Free Press, 1961. 259 pages. \$7.50.
- Jaspers, Karl: *The Question of German Guilt*. New York, Capricorn Books, 1961. 123 pages. \$0.95.
- Kluckhohn, Florence Rockwood, and Fred L. Strodbeck: *Variations in Value Orientations*. Evanston, Illinois, Row, Peterson & Company, 1961. 437 pages. \$7.75.

- Krause, Walter: *Economic Development: The Underdeveloped World and the American Interest*. San Francisco, Wadsworth Publishing Company, Inc., 1961. 524 pages. n.p.
- LaBarge, Richard Allen: *Impact of the United Fruit Company on the Economic Development of Guatemala, 1946-1954*. New Orleans, Middle American Research Institute, Tulane University, 1960. 72 pages. n.p.
- LaGuardia, Fiorello H.: *The Making of an Insurgent: An Autobiography: 1882-1919*. New York, Capricorn Books, 1961. 222 pages. \$1.25.
- Lee, Eugene C.: *The Politics of Non-partisanship: A Study of California City Elections*. Berkeley and Los Angeles, University of California Press, 1960. 232 pages. \$4.75.
- Martz, John D.: *Central America: The Crisis and the Challenge*. Chapel Hill, University of North Carolina Press, 1959. 356 pages. \$7.50.
- McClosky, Herbert, and John E. Turner: *The Soviet Dictatorship*. New York, McGraw-Hill Book Company, Inc., 1960. 657 pages. \$10.95.
- McWhinney, Edward: *Judicial Review in the English-Speaking World*. Toronto, University of Toronto Press, 1961. 227 pages. \$8.50.
- Morris, Bertram: *Philosophical Aspects of Culture*. Yellow Springs, Ohio, The Antioch Press, 1961. 302 pages. \$7.00.
- Municipal and Industrial Water Use: Texas Gulf Basin 1958*. Austin, Bureau of Business Research, The University of Texas, 1961. 63 pages. \$2.00.
- New Mexico's Economy in 1960*. Albuquerque, Bureau of Business Research, The University of New Mexico, 1960. 61 pages. \$1.00.
- Newcomb, W. W.: *The Indians of Texas*. Austin, University of Texas Press, 1961. 404 pages. \$5.75.
- Newman, William J.: *The Futilitarian Society: An Analysis of American Conservatism Today, Its Leading Proponents, and What It Means for the Future of Democracy and Freedom*. New York, George Braziller, Inc., 1961. 412 pages. \$6.00.
- Norbeck, Edward: *Religion in Primitive Society*. New York, Harper & Brothers, 1961. 318 pages. \$5.50.
- Parker, Franklin: *African Development and Education in Southern Rhodesia*. (International Education Monographs). Columbus, Ohio, Ohio State University Press, 1960. 165 pages. \$1.75.
- Patterson, Caleb Perry, Sam B. McAllister, and George C. Hester: *State and Local Government in Texas* (3rd ed.). New York, The Macmillan Company, 1961. 500 pages. \$5.50.
- Pearson, Jim Berry: *The Maxwell Land Grant*. Norman, University of Oklahoma Press, 1961. 305 pages. \$5.00.
- Pipes, Richard (ed.): *The Russian Intelligentsia*. New York, Columbia University Press, 1961. 234 pages. \$4.50.
- Plischke, Elmer: *Contemporary Government of Germany*. Boston, Houghton Mifflin Company, 1961. 248 pages. \$1.95.
- Pratt, Parley M.: *Rice: Domestic Con-*

- sumption in the United States.* Austin, Bureau of Business Research, The University of Texas, 1960. 217 pages. \$4.00.
- Professional Work in Education.* Chicago, The Graduate School of Education and the Department of Education, The University of Chicago, 1961. 36 pages. n.p.
- Redfield, James E.: *A Study of Management Services by Certified Public Accountants.* Austin, Bureau of Business Research, The University of Texas, 1961. 153 pages. \$4.25.
- Rodwin, Lloyd: *The Future Metropolis.* New York, George Braziller, 1961. 253 pages. \$5.00.
- Rolph, Earl R., and George F. Break: *Public Finance.* New York, The Ronald Press Company, 1961. 586 pages. \$7.50.
- Roucek, Joseph S. (ed.): *Contemporary Political Ideologies.* New York, Philosophical Library, 1961. 470 pages. \$10.00.
- Rubin, Sol: *Crime and Juvenile Delinquency: A Rational Approach to Penal Problems.* New York, Oceana Publications, Inc., 1961. 248 pages. \$5.00.
- Sandelius, Walter E.: *Report of the Kansas Joint Commission on Constitution Revision.* Kansas, Kansas Legislative Council, 1961. 31 pages. n.p.
- Shipley, Thorne: *Classics in Psychology.* New York, Philosophical Library, 1961. 1342 pages. \$20.00.
- Shubin, John A.: *Managerial and Industrial Economics.* New York, The Ronald Press Company, 1961. 518 pages. \$7.50.
- Silverman, Hirsch Lazaar: *Psychology and Education Selected Essays.* New York, Philosophical Library, 1961. 169 pages. \$3.75.
- Smith, Howard R.: *Democracy and the Public Interest.* Athens, University of Georgia Press, 1960. 166 pages. \$3.00.
- Tawney, R. H.: *Equality.* New York, Capricorn Books, 1961. 210 pages. \$1.35.
- Torrey, Norman (ed.): *Les Philosophes: The Philosophers of the Enlightenment and Modern Democracy.* New York, Capricorn Books, 1961. 287 pages. \$1.65.
- Tripp, L. Reed: *Labor Problems and Processes: A Survey.* New York, Harper & Brothers, 1961. 510 pages. \$8.50.
- UNESCO: *International Organizations in the Social Sciences* (Revised and augmented with introduction by J. Meynaud). 1961. 146 pages. \$1.50.
- Viereck, Peter: *Metapolitics: The Roots of the Nazi Mind.* New York, Capricorn Books, 1961. 364 pages. \$1.75.
- Wasserstrom, Richard: *The Judicial Decision: Toward a Theory of Legal Justification.* Stanford, California, Stanford University Press, 1961. 197 pages. \$5.00.



Wetmore, Ruth Y.: *Council and Commission Manager Government*. Lawrence, Kansas, Governmental Research Center, 1960. 34 pages. n.p.

Wilgus, A. Curtis: *The Caribbean: Contemporary Education*. Gainesville, University of Florida Press, 1960. 290 pages. \$6.50.

Wishy, Bernard (ed.): *The Western World in the Twentieth Century: A Source Book from the Contemporary Civilization Program in Columbia College, Columbia University*. New York, Columbia University Press, 1961. 517 pages. \$5.00.

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### BOOK SELLERS ADD TEACHING MACHINES

Appleton-Century-Crofts and Lyons & Carnahan, two recently-acquired wholly-owned affiliates of the Meredith Publishing Company, have announced an exclusive arrangement for the distribution and sale of programmed learning materials and educational texts as well as teaching machines produced by Basic Systems, Inc., a company formed last year by a team of prominent psychologists and specialists in the science of learning.

The announcement was made jointly by Allan W. Ferrin, president of Appleton-Century-Crofts, 135-year-old college-text publishing company, and David Padwa, president of Basic Systems, Inc.

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### CORNELL STUDIES LATIN AMERICA

A teaching program in Latin American Studies is being established at Cornell University to coincide with an increased national emphasis on the problems of Latin America.

Supported by fellowships provided through the National Defense Education Act, the program will provide a minor field in Latin American Studies for the master of arts, master of science, and doctor of philosophy degrees. The increased emphasis on Latin American Studies should also have the effect of enriching the undergraduate curriculum generally.

Establishment of the program culminates five years of effort by the Latin American Program Planning Committee of Cornell's Social Science Research Center. The committee's aim was to promote the development of both research and teaching in the Latin American field. It had been successful earlier in securing additional research support, with grants totaling over \$400,000 from the Carnegie Corporation and the Rockefeller Foundation.

Associate Professor Joseph Stycos of sociology and anthropology will direct the program.

# News and Notes

## Southwestern Social Science Association

LEON MEGGINSON, of Louisiana State University, has resigned as President of the Southwestern Social Science Association. He will be replaced by First Vice-President GEORGE T. WALKER, of North Louisiana State College.

## Accounting

### *Louisiana State University*

DR. W. H. HOFFMAN of the University of Texas has been appointed as an assistant professor.

J. W. PATILLO has been named an instructor.

R. J. THACKER joined the University of Southern California faculty as an assistant professor in June.

### *North Texas State University*

LUTHER PADEN NEELEY received his doctorate from the University of Arkansas in June. His dissertation was entitled "A Study of Current Accounting Systems and Practices in Apparel Stores in Arkansas."

### *Oklahoma State University*

BERNARD A. CODA, JR., and JEROLD J. MORGAN have been appointed assistant professors.

DR. GEORGE B. McCOWEN, professor of accounting, retired in June.

### *University of Texas*

HERSHEL M. ANDERSON, assistant professor, has completed his Ph.D. degree at the University of Illinois.

JIM G. ASHBURNE and BEN B. BARR, associate and assistant professors, have been given a summer research grant by the University in order to develop teaching aids for accounting classes.

JAMES W. GIESE, who is completing his Ph.D. degree at the University of Illinois, has joined the faculty as an assistant professor.

ROBERT L. GRINAKER, associate professor, was the local co-ordinator for the American Institute of Certified Public Accountants Training Conference held on the University of Texas campus during August. Approximately 100 practicing accountants attended.

JAMES T. HOOD has been named to an assistant professorship. He is completing his Ph.D. degree at Louisiana State University.

VIRGINIA R. HUNTINGTON, lecturer and a Ph.D. candidate, has been awarded a \$1,000 scholarship from the American Accounting Association.

JAMES E. REDFIELD, who completed his Ph.D. last year, is the author of *Study of Management Services by Certified Public Accountants*, published by the Bureau of Business Research.

ROBERT E. SEILER, associate professor, was on leave during the summer to attend a Faculty Study Seminar on "Recent Developments in Business Administration." The seminar, sponsored by the Ford Foundation, was held at Williams College, Williamstown, Massachusetts.

C. AUBREY SMITH, professor, received

a grant for the summer in order to complete a history of the College of Business Administration.

FRANKLYN H. SWEET, lecturer, has been awarded a General Electric fellowship while writing his Ph.D. dissertation.

GLENN A. WELSCH, professor, is general chairman of the American Accounting Association, which held its convention during August on the University of Texas campus. It was the first time the Association had met in this region.

MRS. MARILYNN G. WINBORNE has been awarded a University of Texas fellowship for the coming year to continue work on her Ph.D. degree.

#### *University of Wichita*

ROBERT L. PEASE, former assistant professor, has resigned to join the Wichita High School System.

LEO A. POLAND, assistant professor, was elected secretary to the planning group for the Sixth Annual Petroleum Accounting Conference, held last April on the University of Wichita campus.

FRED J. SOPER, certified public accountant, has joined the University faculty as an instructor.

#### **Agricultural Economics**

##### *Texas A. and M. College*

LOYD W. BERGSMAN, livestock marketing specialist with the Texas Agricultural Extension Service, has joined the Southwest Cattleman's Association at Fort Worth. He is on a leave of absence for one year from his duties at the Extension Service.

JOHN H. SOUTHERN is the new chief for the Rural Development Branch

of the U.S. Department of Agriculture in Washington, D.C. He and his family moved to Washington during the summer.

D. GALE JOHNSON, dean of the Division of Social Science, University of Chicago, was a visiting professor in the Department of Agricultural Economics and Sociology and guest lecturer for the Graduate School during April.

#### *University of Missouri*

J. C. GRADY has been promoted to the rank of associate professor.

MAHENDRA P. GUPTA and KUMUD KARNIK have completed work on their Ph.D. degrees and have returned to India. Dr. KARNIK is employed by the Reserve Bank of India, Bombay.

FRED MANN is completing his Ph.D. degree in agricultural law at Cambridge University in England.

V. JAMES RHODES has been promoted to the rank of professor. He is also a member of a four-man I.C.A. team, studying and counseling on Argentina beef marketing.

JERRY G. WEST has been promoted to associate professor.

#### **Business Administration**

##### *Kansas State University*

C. CLYDE JONES, professor and departmental head, is the author of an article entitled "Who Should Write Business History," which appeared in the *Atlantic Economic Review* during March.

OSWALD D. BOWLIN has accepted an associate professorship. He had been assistant professor of finance at the Pennsylvania State University before

coming to Kansas State University. He received his B.A. in economics in 1951 and his M.S. in 1954, both from Texas A. & M., and his Ph.D. in economics in 1959 from the University of Illinois.

### *Loyola University*

New appointments include: CHARLES GENDUSA, assistant professor of accounting; HAMPTON IPSEY, instructor in economics; MRS. R. SCULLY, instructor in business science; and I. FOSBERG, lecturer in behavioral science.

### *New Mexico Highlands University*

JACK RICHISON has been appointed assistant professor of business administration and accounting. He replaces MRS. GLADYS SHAW, who resigned to accompany her husband to another location. He holds a B.A. degree from San Jose State College, an M.S. from the University of Illinois, and a C.P.A. certificate in Louisiana. He is working toward a Ph.D. at Louisiana State University.

### *North Texas State University*

RUTH I. ANDERSON, professor of business education, is the author of the following 1961 publications: *Word Finder*, with Leonard Porter, published by Prentice-Hall; *Careers for Secretaries*, published by Henry Walck of the Oxford Press; and a chapter in the 1961 American Business Administration Yearbook.

LUTHER A. BROCK, who is working toward his Ph.D. at Louisiana State University, has been appointed assistant professor of business writing. He has taught at West Texas State College and Southwestern Louisiana Institute.

JOHN R. CARRELL, assistant professor, is treasurer of the American Business Law Association for 1961. "The Type of Business Law Course in the Modern School of Business Administration," an article by Professor Carrell, appears in *American Business Law Association Bulletin*, Vol. 5, No. 1 (March, 1961).

O. J. CURRY and JOHN PEARSON's book, *Basic Mathematics for Business Analysis*, is published by Richard D. Irwin, Inc.

JAMES L. LATHAM, assistant professor, is the author of *Behavioral Science Applied to Life in Business and Industry*, published by Brown Publishing Company.

WILLIAM A. LUKER, instructor in business administration, has been made associate registrar.

*Group Health Insurance*, Revised Edition, by JESSE F. PICKRELL, professor of insurance and chairman of the Finance-Insurance Division, will be published by Richard D. Irwin, Inc., this fall. The book has been approved for use in connection with Part II of the C.L.U. study program.

JOHN POTTER, assistant professor, and JAMES SERUR, instructor, have been awarded fellowships at the University of Texas, where they will teach part-time and work toward the doctorate during 1961-1962.

SCOTT E. SEAGER has joined the faculty as assistant professor to teach statistics and finance. He had been teaching, doing research, and working toward the doctorate at Indiana University. He has worked at Eastern New Mexico University, Armstrong College, University of Utah, University of Idaho, University of Texas,

and as Foreign Exchange Analyst for Standard Oil.

GLEN L. TAYLOR, C.L.U., assistant professor, was one of twenty in the nation to receive a summer, 1961, fellowship from the American Association of University Teachers of Insurance. He studied operations of the Republic National Life Insurance Company of Dallas in the reinsurance and accounting departments.

#### *Rice University*

An article by JOHN H. AUTEN, associate professor, entitled "Counter-Speculation and the Forward Exchange Market," has been published in the February, 1961, issue of the *Journal of Political Economy*. Another article, "Adjusted Terms of Trade for Latin America," appeared recently in *Inter-American Economic Affairs*.

DWIGHT S. BROTHERS, associate professor, has been appointed visiting professor at the Center for Advanced Study of the Brookings Institution for the 1961-1962 academic year.

GASTON V. RIMLINGER, associate professor, is the author of an article on "Trade Union and Soviet Social Insurance: Historical Development and Present Functions" published in the April issue of *Industrial and Labor Relations Review*. Another article entitled "The Expansion of the Labor Market in Capitalist Russia: 1861-1917" appeared in the June issue of the *Journal of Economic History*.

#### *Texas Wesleyan College*

JARRETT E. WOODS, professor, has been named chairman of the Division of Business. He received his B.B.A. and his Ph.D. degrees from the Univer-

sity of Texas and his M.B.A. from the University of Houston.

FRANK G. NORWOOD has been appointed an instructor. He received his B.B.A. and his M.B.A. from North Texas State College.

CURTISS SCOTT is now teaching at Belmont College, Nashville, Tenn.

#### *Texas Western College*

PHILIP BLANCHARD has been promoted from instructor to assistant professor.

#### *University of Minnesota*

PAUL V. GRAMBSCH has been named dean of the School of Business Administration. He formerly occupied the same position at Tulane University.

#### *University of Oklahoma*

WILLIAM A. CHANCE has been appointed assistant professor in the Department of Business Statistics. He did graduate work in economics and mathematics at the University of Kansas.

GEORGE SADLER, instructor in business management, has resigned to continue his graduate work at the University of Texas.

#### *University of Texas*

CHARLES CLARK, assistant professor of business statistics; JACK LEDBETTER, assistant professor of business law; and ROBERT GRINAKER, associate professor of accounting, were named Outstanding Teachers for the year in the College of Business Administration.

RALPH L. DAY, assistant professor, will be visiting assistant professor at Carnegie Tech this fall.

W. P. DOMMERMUTH, formerly of Northwestern University, has joined the faculty as assistant professor. He is a member of Phi Beta Kappa and Phi Eta Sigma, and he has received a Ford Fellowship in Business and the Sigma Delta Chi award for scholarship.

RICHARD NORGAARD from the University of Minnesota has joined the faculty as assistant professor of finance.

GEORGE B. SIMMONS, formerly of Indiana University, has accepted a position as assistant professor. He is a member of Beta Gamma Sigma and Omicron Delta Kappa and received the Naval ROTC scholarship as an undergraduate. He was awarded various assistantships, associateships, and lectureships during graduate work.

RICHARD M. DUVALL, who was an instructor at Duke University, has accepted the position of assistant professor of business statistics.

DAVID TOWNSEND, associate professor of finance, will be on a leave of absence for a year starting September, 1961. He will be in Washington, D.C., on a research assignment for the Board of Governors of the Federal Reserve System.

## Economics

### *Louisiana State University*

JAMES R. BOBO and JACK C. WIMBERLY have been appointed as assistant professor and instructor, respectively.

B. F. SLIGER, associate professor, will be on sabbatical leave for the 1961-1962 spring semester. He will be studying mathematical economics at the University of Minnesota.

A. M. MOORE has accepted appointment

as an assistant professor at Rutgers University.

JOHN M. RICHARDS has accepted an assistant professorship at McNeese State College.

L. M. SCHUR, associate professor, will be on sabbatical leave of absence for the 1961 fall semester to do research in central bank history.

WILLIAM L. BREIT, formerly of Michigan State University, has been appointed assistant professor.

### *New Mexico State University*

CHARLES A. PARTIN has been appointed assistant professor. He received his B.S. degree from Stephen F. Austin State College in 1939, his M.A. in 1959, and his Ph.D. in June, 1961, the latter two from the University of Texas. He formerly taught at Wisconsin State College, Superior, Wisconsin, Carroll College, Waukesha, Wisconsin, and the Southwestern University, Memphis, Tennessee. His areas of specialization are economic theory, economic history, money and banking, international economics, and public finance.

### *Oklahoma State University*

PAUL A. WEINSTEIN, assistant professor, has resigned to accept a position at the University of Pittsburgh.

Two grants totaling \$41,100 have been received by the University. The Ford Foundation has given \$19,600 to a Seminar on Price Theory and Resource Allocation. A grant of \$21,500 from a donor wishing to remain anonymous will aid the Conference on Economic Theory and Policy. RICHARD H. LEFTWICH, professor



and acting head of the Department of Economics, is director of the Seminar and the Conference.

### *Southern Methodist University*

RICHARD A. LABARGE has accepted a position as financial analyst with the Ford Motor Company in Dearborn, Michigan.

### *Texas Christian University*

JOHN L. WORTHAM, professor, assumed the chairmanship of the Department of Economics in September. He succeeds HERBERT R. MUNDHENKE, who has been chairman for the past twenty-four years and who will continue as a full professor.

MILTON RUSSELL, formerly of Iowa State College, has been appointed an assistant professor.

### *Texas Wesleyan College*

GARDENER WILLIAMS, who received his M.B.A. from the University of Texas, has joined the staff of the Division of Social Sciences as a full-time instructor. He was an instructor for the U.S. Air Force and an accountant for the Pan American Petroleum Corporation.

### *Texas Western College*

ROBERT L. BENNETT has resigned in order to continue graduate study at the University of Texas.

BERNARD G. HERBER, formerly of the University of Arizona, has been added to the staff as an associate professor.

DILMUS D. JAMES has received a faculty research grant for research on the sociology of invention and discovery and its impact on economic theory.

CHARLES SCHOTTA, JR., formerly of Texas Christian College, has joined the staff as assistant professor.

### *University of Arizona*

JOHN M. FRIKART, formerly of the University of Southwestern Louisiana, is a new member of the staff.

### *University of Houston*

BRIAN H. ABY, of the University of Oklahoma, has been awarded a graduate teaching fellowship for the coming year. He is a Ph.D. candidate.

JOHN P. OWEN, chairman of the Department of Economics and Finance, has accepted an invitation to serve on the Committee on Aging of the Community Council. Dr. Owen will serve as Chairman of the Subcommittee on Income Maintenance.

### *University of Kansas*

Recent faculty publications include:

R. B. SHERIDAN, associate professor, "The Rise of a Colonial Gentry: A Case Study of Antigua 1730-1776," *Economic History Review*, 1961, 2nd Ser., Vol. XIII; "Samuel Martin: Innovating Sugar Planter of Antigua 1750-1776," *Agricultural History*, 1961, Vol. 34; and "The British Credit Crisis of 1772 and the American Colonies," *Journal of Economic History*, 1960, Vol. XX.

CHARLES E. STALEY, assistant professor, "Industrial and Municipal Use of Water in the Kansas River Basin," *Center for Research in Business*, University of Kansas, October, 1960; also "Export Taxes in Ceylon, 1948-52," *Public Finance-Finances Publiques*, Nos. 3-4, 1959.

GLENN H. MILLER, JR., instructor, "Business and Agricultural Condi-

tions in Kansas, 1871-1888," *The Kansas Historical Quarterly*, Spring, 1960.

RONALD R. OLSEN, assistant professor, "Federal Old Age Survivors and Disability Insurance Retirement Benefits and a Decade of Inflation," *Situation Reports*, The Kansas State Interdepartmental Committee on Aging, prepared for the White House Conference on Aging, July, 1960.

LELAND J. PRITCHARD, professor of finance and chairman of the Department of Economics, "Commercial Banks and Financial Intermediaries, Fallacies and Policy Implications," *Journal of Political Economy*, October, 1960, pp. 518-524.

#### *University of Missouri*

JOHN M. KUHLMAN, who was at the University of Cincinnati, has joined the staff as associate professor.

PAUL E. JUNK, assistant professor, has been granted a leave of absence to do research with Community Studies in Kansas City during 1961-1962.

JOHN C. MURDOCK, professor, has resumed his duties after spending a year in research with Community Studies.

Faculty members who have authored publications recently include: JOHN M. KUHLMAN and GORDON S. SKINNER, *The Economic System*, Richard D. Irwin, Inc., 1959; and PINKNEY C. WALKER, professor and departmental chairman, *The Economics of Income Distribution*, Lucas Brothers, 1960.

#### *University of Oklahoma*

LOUIS A. DOW, assistant professor, has resigned to accept an associate pro-

fessorship at North Carolina State College.

PAUL D. DICKENS, chief of Division International Finance of the U.S. Treasury, has been appointed a visiting professor beginning in September.

ROLF HAYN, assistant professor, has been granted a leave of absence to accept a consulting position with the United Nations.

JAMES HIBDON, associate professor at Texas A & M, has been appointed associate professor.

A. J. KONDONASSIS, assistant professor, was appointed chairman of the department in January.

W. NELSON PEACH, professor, has been granted a leave of absence to accept a consulting position with the International Cooperation Administration.

#### **Geography**

##### *Louisiana Polytechnic Institute*

CRAIG L. DOZIER has resigned as associate professor to become professor and head of the Geography Department at North Carolina Woman's College.

PHILLIP SHEA, doctoral candidate at Michigan State University, has been appointed an instructor.

##### *Louisiana State University*

FRED KNIFFEN, professor, has received a National Science Foundation grant to study the initial settlement patterns of the eastern United States.

R. J. RUSSELL, professor, went to Stockholm, Sweden, in late April to receive the Vega Medal, awarded to only three other Americans.

JOHN VANN, assistant professor, has been spending the year in field research in the physical geography of the lower Amazon area. The Office of Naval Research is sponsoring the research.

HARLEY J. WALKER, assistant professor, began in June a year-long investigation of the physical geography of the Colville River delta, Alaska, under the auspices of the Coastal Studies Institute.

#### *Southern Methodist University*

JOHN F. BERGMANN, former assistant professor, resigned to accept a similar position at the University of Alberta, Edmonton, Canada.

VIRGINIA BRADLEY, associate professor, spent July and August of 1960 in western Europe. She attended the International Geographical Congress in Stockholm, Sweden, during the first two weeks in August.

EDWIN J. FOSCUE, professor and chairman, was a member of the United States delegation to the International Geographical Congress in Stockholm Sweden, in August of 1960. His monograph on "East Texas: A Timbered Empire" was published last year as the first issue of the new *Journal of the Graduate Research Center of Southern Methodist University*.

JEANNE J. GRIMES has been appointed an instructor.

#### *Texas A. & M.*

EDWIN DORAN, JR., associate professor, was a consultant at Pacific Missile Range, Point Mugu, California, from 1958 to 1960. In August he was convener of the symposium on Land Tenure in the Pacific, as portion of

the Geography Division of the Tenth Pacific Science Congress in Honolulu. He has written "Transportation Patterns in the Marshall Islands," *Tech. Memo.* No. PMR-TM-60-9, Point Mugu, California, Pacific Missile Range, and "Report on Tarawa Atoll, Gilbert Islands," *Atoll Research Bulletin* No. 72, Washington, Pacific Science Board.

JOHN R. HOWARD, former instructor, is now teaching at Sam Houston State College in Huntsville, Texas.

#### *University of Southwestern Louisiana*

VERNON BEHRHORST received a National Science Foundation grant to attend the Institute of Quantitative Methods in Geography at Northwestern University, June 27 to August 4.

THEODORE W. KURY is serving as temporary instructor replacing HUBERT G. WILHELM, who is on leave.

#### **Government**

#### *Lamar State College of Technology*

WAYNE ODOM and FRED STEVENS have been appointed to assistant professorships. Professor Odom had been a member of the University of Texas faculty, and Professor Stevens has taught at the Universities of South Dakota and Michigan.

#### *Louisiana Polytechnic Institute*

HARRY RICHARD MAHOOD, formerly of the University of Illinois, has been appointed assistant professor of political science.

#### *Texas Wesleyan College*

WALLACE B. GRAVES, associate professor of political science, attended a

June seminar on "Political Science for the Sixties" at Berea College. The seminar was sponsored by the American Political Science Association under a grant from the Ford Foundation.

*University of Southwestern  
Louisiana*

EDWARD B. RICHARDS has joined the list of abstracters for the publication *Historical Abstracts*.

*University of Texas*

A new Asian Concentration program for undergraduates has been inaugurated at the University. Students major in an established department and are assisted by an advisor in choosing minors and elective courses so that thirty hours (ten courses) of the student's work will concern Asia. Five courses are selected from a general list of eight taught in the departments of anthropology, art, economics, philosophy, resources, and sociology; and four other courses in geography, government, and history focus directly upon the area which the student chooses to emphasize—East Asia or South Asia. The last course is a senior research project. No Asian language is offered lower division students, but intensive language courses in Arabic, Hindu, Telugu, and Japanese permit an upper division student to make a good start on an Asian language while still an undergraduate. Library materials on Asia are being strengthened, and a small scholarship fund has been made available.

The program is supervised by a committee whose members represent departments most active in the Asian

field, and most of the committee members have lived or studied in Asia. The Department of Government is represented by Professors JAMES SOUKUP (East Asia) and JAMES ROACH (South Asia).

WILLIAM S. LIVINGSTON served as visiting professor of political science at Duke University during the 1961 spring semester.

ADOLPH RIEDERER, formerly of New York University, has accepted appointment as instructor.

EDWARD TABORSKY has been promoted to the rank of full professor.

BENJAMIN WRIGHT, formerly president of Smith College, has accepted appointment as a professor of government and director of American Studies.

The Department of Government sponsors a series of speakers each year from other universities and from the government service who spend a day or two lecturing to the graduate students and consulting with staff and students. Those participating in the program during the past year included CHARLES HAGAN, University of Illinois, "Characteristics of the Individual in a Political Science"; WILFRED BINKLEY, Ohio Northern University, "Conventions and the Nominating Process"; HENRY A. KISSINGER, Harvard University, "Disarmament Problems and Prospects"; PHILIP B. KURLAND, University of Chicago Law School, "The Judicial Process: Lawyers vs. Political Scientists"; CORTEZ EWING, University of Oklahoma, "The Theory of Elections and the 1960 Campaign"; and A. L. HARDING, Southern Methodist University Law School, "Thom-

as Hooker as a Legal and Political Theorist."

MURRAY C. HAVENS, formerly on the staff of the Department of Political Science at Duke University, has accepted appointment as assistant professor.

JAMES K. HOWARD, professor of history at Del Mar College, served during the summer of 1961 as a visiting staff member of the Institute of Public Affairs at the University.

The Institute of Public Affairs, in conjunction with the Texas Municipal League and the Texas City Managers' Association, has inaugurated an annual Institute for City Managers. The first Institute was held in Austin, June 11-13, 1961.

CARL LEIDEN, formerly professor of government and chairman of the Division of Social Science at the American University at Cairo, has been named visiting professor for the coming academic year.

DAVID M. OLSON, former faculty member at the University of California at Berkeley, has completed a year as a Congressional Intern and has accepted appointment as an assistant professor.

JAMES R. ROACH, associate professor, has been awarded a Fulbright lecturing award for the 1961-1962 year. Dr. Roach will offer graduate courses in international relations and comparative government at Rajasthan University, Jaipur, India.

JAMES R. SOUKUP, assistant professor, has received a Fulbright award for research in Japan during 1961-1962 on the political role of business association in postwar Japan.

A Summer Institute on Asia was held for the first time in 1961. The

program is interdisciplinary, involving staff members from several departments. It is designed primarily for teachers in the public schools, ten of whom throughout the state were awarded scholarships. JAMES K. SOUKUP, assistant professor, is coordinator of the program.

The third annual County Auditors' Institute was held in May, under the sponsorship of the Institute of Public Affairs, the Division of Extension, and the College of Business Administration. Among the University staff members taking part were GLENN A. WELSCH, Accounting; WILFRED D. WEBB, Government; and NORRIS A. HIETT and JAMES R. D. EDDY, Division of Extension.

## History

### *Arlington State College*

Faculty members receiving promotions include CLARENCE P. DENMAN to professor and ROBERT D. BOYLE and SAM B. HAMLETT to assistant professorships.

### *Louisiana Polytechnic Institute*

G. W. MCGINTY and R. O. TROUT conducted the tenth annual study tour of the history and geography of the western United States during August.

EDWARD H. MOSELEY, doctoral candidate at the University of Alabama, has been appointed assistant professor.

J. BYRON PATRICK has resigned as assistant professor to become professor and head of the History Department at Atlantic Union College.

### *New Mexico Institute of Mining and Technology*

PAIGE W. CHRISTIANSEN presented a paper on a Southwestern history topic at the meeting of the Pacific Coast Branch of the American Historical Association convention during August at San Jose, Calif. Another of his articles entitled "Pascual Orozco: Chihuahua Rebel, Episodes in the Mexican Revolution, 1910-1915," was published in the April issue of the *New Mexico Historical Review*.

### *Oklahoma City University*

ROB ROY MACGREGOR, professor and chairman of the Department of History-Political Science, has been appointed by the governor of Oklahoma as a member of the Oklahoma Civil War Centennial Commission.

WILLIAM A. LARSEN, having completed his doctorate in European history at the University of Texas, has accepted a position as assistant professor.

THOMAS W. LEAVITT, instructor, has been granted a resident fellowship at Harvard University this fall to begin work toward the Ph.D. degree in the history of ideas.

### *Oklahoma State University*

THEODORE L. AGNEW, LEROY H. FISCHER, and NORBERT R. MAHNKEN have been promoted to professorships.

DAVID M. TUCKER, temporary instructor, is now an instructor at Mars Hill College, Mars Hill, North Carolina.

SIDNEY E. BROWN, associate professor, was a visiting lecturer at the University of Wisconsin during the 1960 summer session.

ALFRED LEVIN, professor, traveled in

the Soviet Union during August and September of 1960 to arrange library exchanges and to collect research materials on the Russian Parliament, 1906-1917. His trip was financed by the Inter-University Committee on Travel Grants.

FREDERICK E. GAUPP, professor at Southwestern University, Georgetown, Texas, was a visiting professor of European history during the 1960 summer session.

NORMAN A. GRAEBNER, chairman of the History Department at the University of Illinois, accepted the 1960 Summer Lectureship in History and spoke on Manifest Destiny, the China Question, and problems of writing recent history.

### *Texas Wesleyan College*

MRS. MATTIE EAST, assistant professor from 1946 to 1961, retired in June.

FAYE WELLBORN, who received her M.A. degree from Baylor University, has joined the staff of the Division of Social Sciences as assistant professor. Miss Wellborn has taught at Ouachita Baptist College and had a teaching fellowship for two years at Vanderbilt University.

### *University of Houston*

ROBERT I. GIESBERG has accepted a position as assistant professor at Fordham University.

JOHN O. KING has joined the faculty as an instructor. He received his B.A. degree from Ohio Wesleyan University, his M.A. from the University of Houston, and has spent the past three years working toward the Ph.D. at Vanderbilt University.

EDWIN A. MILES, associate professor,



taught in summer school at Tulane University.

JAMES A. TINSLEY has been promoted to professor, and RONALD F. DREW has been advanced to associate professor.

Papers written by faculty members appearing in historical journals include: ROBERT V. HAYNES, "Law Enforcement in Frontier Mississippi," *Journal of Mississippi History*, VXXII, No. 1 (January, 1960); CORINNE C. WESTON, "The Theory of Mixed Monarchy Under Charles I and After," *English Historical Review*, LXXV, No. 296 (July, 1960), pp. 426-443.

EDWIN A. MILES has written *Jacksonian Democracy in Mississippi*, published by the University of North Carolina Press, 1960.

JAMES A. TINSLEY edited *Letters From the Colonel: Edward M. House to Frank Andrews*, published by Texas Gulf Coast Historical Society.

#### *University of Missouri*

Accepting appointments as assistant professors were CHARLES NAUERT, who comes from Williams College, Williamstown, Massachusetts, and specializes in the field of Renaissance and Reformation; THOMAS BARROW who completed his work for the Ph.D. at Harvard this year and specializes in American colonial history; and WILLIAM ALLEN, formerly teaching at M.I.T. in the Department of Humanities, who will teach German and European diplomatic history.

RODERICK E. MCGREW, associate professor, will be on leave this coming year to do research in Russian intellectual history. He plans to spend

most of his time in Central and Eastern Europe.

DAVID PINKNEY is on leave for a year in Paris, France, to complete research on a book he is writing on the French Revolution of 1830. He has a Guggenheim fellowship.

LEWIS ATHERTON has completed a book on the Western cattleman which is to be published by the University of Indiana Press.

Receiving promotions were JAMES L. BUGG, JR., chairman, to professor, and RICHARD KIRKENDALL to associate professor.

#### *University of New Mexico*

FRANK D. REEVE, professor, is the author of *History of New Mexico* in three volumes, published by Lewis Historical Publishing Company.

BENJAMIN SACKS, professor, has written *The Religious Issue in the State Schools of England and Wales, 1902-1914: A Nation's Quest for Human Dignity*, published by the University of New Mexico Press.

JEFFREY B. RUSSELL, assistant professor, has received a three-year post-doctoral fellowship at Harvard University.

#### *University of Oklahoma*

JOSEPH J. MALONE of the University of Alberta Staff at Edmonton, Canada, was appointed visiting assistant professor for the 1961 summer session.

DONALD J. BERTHRONG, associate professor, was appointed visiting associate professor at the University of Texas for the 1961 summer session. He wrote the introduction to W. H. HAMILTON's *My Sixty Years on the*

*Plains*, published by the University of Oklahoma Press in 1960.

JOHN S. EZELL, professor, accepted an appointment as visiting professor at Wake Forest College for the 1961 summer session. He has published a volume entitled *Fortune's Merry Wheel: The Lottery in America*, published by the Harvard University Press in 1960.

LESLIE F. SMITH, professor, conducted an American Youth Abroad study tour of Europe during the summer. His *Modern Norwegian Historiography* is to be published by the Oslo University Press.

BRISBON D. GOOCH, associate professor, taught at the University of Maine during the summer session.

WILLIAM H. MAEHL, JR., has received a Leverhulme Visiting Fellowship for teaching and research at Kings College, University of Durham, at Newcastle-on-Tyne, England, for the 1961-1962 academic year. He served as a rapporteur at the Southwest Conference on International Relations in May.

CHARLES C. BUSH, JR., associate professor, has resigned from his position as Counselor for the Social Studies Teacher Certification Program to return to full-time teaching.

DUANE H. D. ROLLER, associate professor, has received a Fulbright Research Fellowship for study in England during the 1961-1962 academic year. He published "Nauczanie Historii Nauki w Stanach Zjednoczonych," *Kwartalnik Historii Nauki i Techniki*, Vol. 5 (1960); "The Educational Differences between Science and Technology," *Science and Mathematics*, 1960, and "Stephen

Hales and Quantitative Mechanism," *Bios*, 1961.

BERNARD S. FINN of the University of Wisconsin is a visiting instructor in history of science.

THOMAS M. SMITH, assistant professor, will be curator of the DeGolyer Collection in the History of Science during the 1961-1962 school year. He published "Traditional Views Hamper Scientific Progress," *Parlé*, 1960.

C. ROGER LAMBERT, Ph.D. candidate, will move from Wichita University, where he has been an instructor, to Del Mar College, Corpus Christi, Texas, where he will be an assistant professor.

FORREST A. WALKER, Ph.D. candidate, has been appointed assistant professor at Florence State College, Florence, Alabama.

R. ALTON LEE, Ph.D. candidate, has been appointed assistant professor at Central State College, Edmond, Oklahoma.

WILLIAM L. HINE, Ph.D. candidate, has been appointed assistant professor at Midwestern University, Wichita Falls, Texas.

WILLIAM R. JOHNSON, Ph.D. candidate, has been awarded the L. R. Bryan, Jr., Fellowship for his M.A. thesis *A Short History of the Sugar Industry in Texas*, which was published last spring by the Texas Gulf Coast Historical Society.

JOHN P. WOODEN, Ph.D. candidate, has accepted an appointment as instructor at Michigan College of Mining and Technology at Sault Ste. Marie.

W. EUGENE HOLLON, professor, is the author of *The Southwest, Old and New*, the first volume in the Regional

History Series, published by Alfred Knopf in April, 1961.

ARRELL M. GIBSON, associate professor and director of the Manuscripts Division of the Library, has published *A Guide to Regional Manuscript Collections in the Division of Manuscripts, University of Oklahoma Library*, University of Oklahoma Press, 1960; "New Sources of Indian History," *Ethnohistory*, Summer, 1960, and "Joe Kagey, Indian Educator," *Chronicles of Oklahoma*, Summer, 1960.

HERBERT J. ELLISON's article, "The Decision to Collectivize Agriculture," was published in the *Slavic and East European Review* in April. He served as a rapporteur at the Southwest Conference on International Relations in May.

GILBERT C. FITE, research professor, published "The United States Department of Agriculture as an Instrument of Public Policy: The McNary-Haugen Episode and the Triple-A," *Journal of Farm Economics*, December, 1960; "The Great Plains: A Colonial Area," *Current History*, May, 1961; "Republican Strategy and the Farm Vote in the Presidential Campaign of 1896," *American Historical Review*, July, 1960; and "Some Farmers' Accounts of Hardship on the Frontier," *Minnesota History*, March, 1961.

MAX L. MOORHEAD, chairman and professor, published "The Private Contract System of Presidio Supply in Northern New Spain," *Hispanic American Historical Review*, February, 1961, and "Rafael Carrera," *Encyclopaedia Britannica*, 1960 edition.

ALFRED B. SEARS, professor, published

"Slavery and Retribution," his presidential address, in the *Southwestern Social Science Quarterly*, June, 1960.

### *University of Southwestern Louisiana*

WILLIAM H. ADAMS has been promoted to associate professor.

ROBERT W. BROCKWAY, of Coventry (England) Technical College, has been appointed an assistant professor.

VINCENT H. CASSIDY has been promoted to associate professor.

RICHARD G. NEIHEISEL of the University of Texas has been appointed an instructor.

CRAIG A. NEWTON of Tarleton State College has been appointed an instructor.

AMOS E. SIMPSON, who won the Higby Prize for the best article in the *Journal of Modern History* for the two-year period of 1959-1960, has been promoted to professor.

### *University of Texas*

THOMAS PERKINS ABERNETHY, professor at the University of Virginia, will be visiting professor during the fall semester.

W. H. CALLCOTT, dean of the University of South Carolina, will be professor of Latin American history during the long session.

JAMES CHASE of the University of Chicago will join the faculty as instructor.

LEWIS U. HANKE has resigned to become professor at Columbia University.

H. WAYNE MORGAN of San Jose State College has been appointed an instructor.

PAUL SCHROEDER of Concordia Col-

lege, Fort Wayne, Ind., was visiting professor in Modern European history during the summer session.

JAMES SCOBIE of the University of California, Berkeley, was visiting professor of Latin American history during the summer session.

OTIS A. SINGLETARY has resigned as professor and assistant to the President to accept a position as Chancellor of the Womens Branch, University of North Carolina, Greensboro, North Carolina.

Y. C. WANG of the University of Chicago was visiting professor in Far Eastern history during the summer session.

WALTER PRESCOTT WEBB will spend the winter of 1961-1962 televising his course on "The Great Frontier" under a grant from the Fund for the Advancement of Education.

### Management

#### *Kansas State University*

JOHN MAX AMOS, assistant professor, is author of "Can You Afford to Extend Credit?" in *Veterinary Medicine* for February.

#### *Louisiana State University*

New appointments for this academic year include: JOHN W. CLARK of Purdue University; LAWRENCE L. SCHKADE of the University of Southwestern Louisiana; DONALD E. VAUGHAN of the University of Texas, as assistant professors; and IRWIN WEINSTOCK of the University of Southwestern Louisiana as instructor.

#### *North Texas State University*

M. KENNETH COX, associate professor,

became president of the Fort Worth Purchasing Agents Association on June 1.

C. L. LITTLEFIELD, chairman and distinguished professor, is serving as president of the Dallas chapter of the Society for the Advancement of Management, and as first vice-president of the Southwest Management Association. He becomes president of the latter organization at the expiration of his present term of office.

ROWE M. MEADOR, associate professor, is vice-chairman of the Student Liaison and Development Committee of the American Marketing Association.

VERNON V. PAYNE, professor and Director of Business Education, is vice-president of the United Business Education Association for 1960-1961 and president of the Fort Worth chapter of the National Office Management Association for 1960-1961.

STANLEY ALAN SELF, associate professor, served in the Seventh Visiting Professor Case Method program at Harvard University this year. He also is a director of the Dallas chapter of the Society for the Advancement of Management and becomes a vice-president of this society for 1961-1962.

#### *Oklahoma State University*

ROBERT D. ERWIN has been named Director of the Development Foundation at this institution, and will retain his position as assistant professor.

#### *Rice University*

EDGAR O. EDWARDS, chairman and professor, has collaborated with Philip W. Bell on *The Theory and Measure-*

*ment of Business Income*, published by the University of California Press in May. He also contributed a chapter, "Depreciation and the Maintenance of Real Capital" to *Depreciation and Replacement Policy*, edited by J. L. Meij and published by North Holland Publishing Company, in April. "An Indifference Approach to the Theory of the Firm" by him is scheduled for early publication in the *Southern Economic Journal*.

#### *University of New Mexico*

WILLIAM J. PARISH, dean of the College of Business Administration, is author of "The German Jew and the Commercial Revolution in Territorial New Mexico, 1850-1900" (*New Mexico Historical Review*, XXV, 1 and 2); "Economic Development in New Mexico Needs a Change in the State Banking Structure" (*New Mexico Business*, November, 1960); and "The Charles Ifeld Company: A Study of the Rise and Decline of Mercantile Capitalism in New Mexico" (Harvard Studies in Business History, No. 20).

#### *University of Oklahoma*

WILLIAM N. MORGENROTH has been added to the staff.

ALEX J. SIMON has resigned to take a position at the University of Southwestern Louisiana.

#### *University of Texas*

J. K. BAILEY, chairman, has been elected national president of Sigma Iota Epsilon, international honorary and professional management fraternity. He will also serve as chairman of the twenty-third annual Texas Personnel and Management Conference

to be held in Austin, October 26 and 27. During the past year he has conducted a seminar for key personnel of Veterans Administration hospitals at Marlin, Waco, and Temple.

DONALD E. BOSTROM has joined the staff as an assistant professor.

CHARLES E. KLASSON, of Arizona State University, and a graduate of Indiana University, has been appointed an assistant professor.

ROSS W. LOVELL has resigned to take a place as assistant professor at the University of Houston.

EDWIN W. MUMMA, associate professor and assistant to the dean, was on leave for the Summer to attend a faculty seminar on new developments in business administration sponsored by the Ford Foundation at the University of California, Berkeley.

SCOTT E. ROBB has gone to the University of Illinois as an assistant professor.

BURNARD H. SORD, associate professor, has succeeded J. K. BAILEY as departmental chairman at the completion of Dr. Bailey's term of four years. The Departments of Educational Administration, Government, and Management cosponsored an interdisciplinary seminar on administrative theory during March. Guest lecturers were DANEIL E. GRIFFITHS, of Columbia University; HUBERT KAUFMAN, of Yale; and LOUIS A. ALLEN, of Louis A. Allen Associates, Palo Alto. HENRY J. OTTO, WILFRED D. WEBB, and JOE K. BAILEY constituted the local committee in charge.

#### **Quantitative Methods in Business**

##### *North Texas State University*

LAURENCE E. HARVEY, assistant pro-

fessor in the Computer Division of the School of Business, has received a Ford Grant for graduate study at Stanford University in 1961-1962.

### Sociology

#### *Louisiana State University*

W. G. HAAG, professor of anthropology, has been spending the year in archaeological research in the West Indies on a National Science Foundation grant.

#### *Oklahoma State University*

MORRIS SIEGEL, recently of the University of Illinois, has been appointed visiting professor. He will have the principal responsibility for cultural anthropology courses.

#### *Rice University*

A Department of Anthropology and Sociology was established in the fall of 1960, with Dr. EDWARD NORBECK, formerly of the University of California, Berkeley, as chairman. Plans for the near future call for an expansion of staff and offerings and the inauguration of degree programs in both fields.

Staff members include: EDWARD NORBECK, associate professor of anthropology; FRANK HOLE, assistant professor of anthropology; ART GALLAHER, JR., visiting lecturer in anthropology and sociology; and JAMES BERNARD GILES, lecturer in sociology.

EDWARD NORBECK, associate professor and chairman, was awarded \$1,000 grants-in-aid of research by Wenner-Gren Foundation for Anthropological Research and by the Social Science Research Council. The research sup-

ported is a study of the distribution and significance of conventionalized antisocial rites among American Indians.

Publications by DR. NORBECK appearing in 1961 include: *Religion in Primitive Society*, Harper & Brothers; "Postwar Cultural Change and Continuity in Northeastern Japan," *American Anthropologist*, 63:297-321; and "Japan," in *Psychological Anthropology: An Assessment of Culture and Personality*, The Dorsey Press. GEORGE DEVOS coauthored the latter publication.

#### *University of Colorado*

EDWARD ROSE, professor, assumed the chairmanship on July 1 for a three-year term. Professor Rose is also serving as director of the Institute of Behavioral Science, which integrates much of the research activity of the social science departments.

GORDON H. BARKER, professor, has been elected a vice-president of the American Society of Criminology. He continues to serve on the Executive Board of the Colorado Conference of Social Welfare. Professor Barker, in collaboration with W. THOMAS ADAMS, sociologist at the Boy's Industrial School, Golden, Colorado, continues with his research and rehabilitation program on the institutionalized delinquent. Undergraduate students in his classes in delinquency and criminology participate in the program.

HOWARD HIGMAN, associate professor, is chairman of the World Affairs Conference, which annually brings approximately one hundred experts on world affairs to the campus for a week-long conference. He was one of



three speakers at a national meeting of university adult education directors held at the Kellogg Foundation center in East Lansing, Michigan, in February.

BLAINE E. MERCER, associate professor, is chairman of the General Social Science Program for the College of Arts and Sciences. His book on the sociology of American schools was published during the summer. He has been appointed to the executive committee of the Inter-University seminar on Urbanization in the Missouri River Basin, which is sponsored by the Ford Foundation, and serves as vice-president of the Rocky Mountain Council on Family Relations.

JUDSON B. PEARSON, assistant professor, is the newly appointed director of the Bureau of Sociological Research. He is currently engaged in the preparation of a volume in statistics and research methods scheduled for publication in early 1962.

ALEX GARBER, assistant professor, was elected Professor of the Year for 1960 by the University of Colorado student body. He led a study tour in the summer of 1960 to ten European countries including the USSR, Poland, and Czechoslovakia. This was an academic tour sponsored by the National Students Association. He conducted a similar tour this past summer, including trips to Yugoslavia, Hungary, and several central and southern European countries.

ROBERT C. HANSON has joined the department as assistant professor and research associate in the Institute of Behavioral Science. He has a Russell Sage Foundation Residency Grant for research in medical soci-

ology. He is associated with Professor LYLE SAUNDERS on a New Mexico Public Health Research Project and with Professors OMER STEWART, Department of Anthropology, and RICHARD JESSOR, Department of Psychology, on a tri-ethnic community health project.

E. MERLE ADAMS, assistant professor, served as director of a work-study program for mental health interns during the summer of 1960. This program was sponsored by the Western Interstate Commission for Higher Education, and was conducted with the cooperation of the Psychology Department of the University of Colorado, Colorado State Hospital, Colorado State Training School for the Retarded, Colorado Boy's Industrial School, State Training School for Girls, Colorado Children's Home, Colorado Psychopathic Hospital, and Denver General Hospital. The program, limited to forty interns last summer, was expanded this year.

MARGARET ALTMANN has joined the faculty as associate professor with a joint appointment in the Departments of Biology, Psychology, and Sociology. She continues her field studies in animal behavior under a grant from the National Institute of Mental Health.

CHARLES GRAY, JULES WANDERER, and GARY G. WILLOUGHBY continue as part-time instructors. CAROL COPP and CURTISS E. FRANK, JR., joined the staff as part-time instructors in September. All are Ph.D. candidates in the department.

### *University of Houston*

J. L. FISCHER, assistant professor of an-

thropology at Tulane University, was a visiting lecturer in anthropology during March.

JOHN M. ELLIS, chairman of the Department of Social Science at Lee College, has joined the department as lecturer.

The second annual Conference on Inter-Group Relations was held here during February. ARNOLD M. ROSE, University of Minnesota, was principal speaker for the morning session. Panel members for the afternoon session were HARRY E. MOORE, University of Texas; KENNETH S. TOLLETT, Texas Southern University; H. CLIFTON MCCLESKEY, University of Houston; THEODORE FREEDMAN, Anti-Defamation League, B'nai B'rith; and SOL TANNENBAUM, University of Houston.

EVERETT D. DYER has been promoted to full professor.

#### *University of Kansas*

WILLIAM BASS was promoted to assistant professor.

E. JACKSON BAUR will be in Amsterdam on a Fulbright lectureship during the 1961-1962 school year. He will be lecturing and conducting research at the University of Amsterdam, Sociaal-Paedagogisch Instituut.

LARRY BEE was recently elected a fellow in the American Association of Marriage Counselors. The recognition followed the publication of Bee's text on marriage problems entitled *Marriage and Family Relations*.

The department has received from the National Institute for Mental Health a pilot training grant providing tuition and fees for graduate training in sociology for psychiatric nurses. RUTH PENDLETON CARYS (M.S. in

nursing) received the first award for beginning training in sociology.

CARROLL CLARK was reappointed to the Space Law and Sociology Committee of the American Rocket Society. By invitation of the Army, he was a member of the National Strategy Seminar of the U.S. War College at Carlisle Barracks in Pennsylvania in June.

R. P. CUZZORT was promoted to associate professor. Under grants from Community Studies and the Ford Foundation he is currently assisting E. GORDON ERICKSEN in a study of the Negro population of Kansas City.

NORMAN JACOBS has joined the department as assistant professor. He will participate in the Far East Language and Area Program.

FELIX MOOS will be coming into the department as an instructor from the Far East Division of the University of Maryland.

CARLYLE SMITH was appointed a member of the National Research Council for three years beginning in July. His manuscript on excavations carried out at Easter Island is now in press.

CHARLES VALENTINE received a grant to study in England.

CHARLES K. WARRINER along with ROBERT DENTLER and W. J. GORE of the political science department received a grant from the Office of Vocational Rehabilitation, U.S. Department of Health, Education, and Welfare, for a three-year study of factors determining state program acceptance.

#### *University of Southwestern Louisiana*

MALCOLM C. WEBB is serving as tem-

porary instructor replacing EDWARD L. KIBBE, who is on leave.

*Washington University at St. Louis*

ALVIN W. GOULDNER, chairman, will be on leave during the coming academic year, when he will be a fellow of the Center for Advanced Studies in the Behavioral Sciences at Palo Alto. Gouldner will be working on two studies, one on social theory and social policy (to be published by Basic Books, Inc.), the other on the fundamental dimensions of moral codes. His monograph on *Technology and Apollonianism* (with RICHARD A. PETERSON) will be published this year by Bobbs-Merrill Company, as will a revised edition of *Studies in Leadership*, which is jointly edited with RICHARD DE CHARMS.

JOSEPH A. KAHL, acting chairman while Gouldner is on leave, has returned from a year at the Latin American Center for Research in the Social Sciences at Rio de Janeiro. He completed field work there on a study of changing career patterns under the impact of industrialism. The research will be extended by comparative studies in Argentina, Chile, and Mexico.

A metropolitan population project has been established jointly by the Social Science Institute of Washington University and the Health and Welfare Council of Metropolitan St. Louis to constitute a central source of information on the population of the St. Louis area for use by governmental and voluntary agencies, business firms, and research scholars. DAVID J. PITTMAN will serve as project director. Participating on the project committee are DAVID B. CARPENTER

and NICHOLAS J. DEMERATH, director of the Social Science Institute.

DAVID B. CARPENTER is directing a comparative study of urbanization in the United States and Japan as part of a developing department program of comparative research on the international impact of industrialization and urbanization. Carpenter is also serving as assistant department chairman. Research in the field of urban studies also includes a study of the future needs and resources in outdoor recreation for the bi-state St. Louis metropolitan region. The study has been contracted by the Outdoor Recreation Resources Review Commission. GREGORY P. STONE, assistant professor, serves as project director.

JOHN W. BENNETT, DAVID B. CARPENTER, and STANLEY SPECTOR are serving with a newly activated Committee on Asian Studies at Washington University. An extended program in Asian studies will be offered this coming year, building on a program begun ten years ago under STUART A. QUEEN, now professor emeritus.

ROBERT L. HAMBLIN was advanced to associate professor. His NIMH grant for research on adolescent behavior was renewed for one year, and his ONR grant with RICHARD DE CHARMS for experiments on structural factors in group behavior extends for two years.

NICHOLAS J. DEMERATH was on leave of absence during the spring semester, serving as Ford Foundation Professor in the School of Business at Indiana University. During his absence DAVID J. PITTMAN was acting director of the Social Science Institute. In the summer of 1960 Pittman

presented papers on the chronic drunkenness offender at the World Congress on Alcohol and Alcoholism which convened at Stockholm, Sweden. The papers were also presented at the European Institute of Alcohol Studies in Paris. Pittman is an associate professor.

JULES HENRY, professor of anthropology and sociology, presented his research on the naturalistic study of the families of psychotic children before a seminar in Oslo, Norway. He is presently a consultant on a social systems study of the Osawatimie State Hospital at Osawatimie, Kansas. The study is sponsored by NIMH and the Menninger Foundation. He is vice-president-elect of the American Orthopsychiatric Foundation and serves on the Advisory Committee of Jewish Board of Guardians.

JOHN W. BENNETT, associate professor of anthropology and sociology, is currently serving as president of the Society for Applied Anthropology. His book on simulated kinship patterns in Japanese economic and work organizations, written with IWAO ISHINO, is scheduled for publication in 1962. During the summer of 1960 Bennett was visiting anthropologist with the Saskatchewan Museum of Natural History. He has been planning a study of society, technology, and environment in the South Saskatchewan River valley in connection with anticipated cultural changes in the region that will follow upon the construction of a large dam. This research was initiated in the

summer of 1961, following his return from the University of Puerto Rico, where he served as visiting professor of anthropology during June and July.

JOHN C. GLIDEWELL, lecturer in sociology, has been appointed to the Committee on Research, Center for the Behavioral Sciences, at George Washington University, Washington, D.C. He edited the volume, *Parental Attitudes and Child Behavior*, which will be published this year.

LEE N. ROBBINS, lecturer in sociology, is serving as codirector of a thirty-year follow-up study of former child guidance clinic patients. The study is supported by the United States Public Health Service. She is also director of a methodological study of life-history interviews, supported by the National Science Foundation.

MILDRED KANTOR, lecturer in sociology, has assumed the duties of director of vital statistics at the St. Louis County Health Department. She continues as assistant director of the training program for research in community health at the Social Science Institute.

CARL WITHERS has been serving as visiting lecturer in anthropology in conjunction with the direction of a Youth Culture Project undertaken jointly by the U.S. Childrens Bureau and Washington University. His *Plainville, USA*, has recently been reprinted in the Columbia University paper-back series.

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